Daily Report

Latin America

FBIS-LAT-90-220
Wednesday
14 November 1990

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FBIS-LAT-90-220 *14 November 1990*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Castro Attends Japanese Embassy Reception *[Havana TV]* 1
Castro Comments on Domestic, Foreign Affairs *[Havana TV]* 1
Havana Construction Workers Sent to Countryside *[Havana Radio]* 3
UN Delegate Hits U.S. Radio, TV Broadcasts *[Havana TV]* 3
Military Vigilance in Face of U.S. Threat Noted *[Havana International]* 3
Ross Addresses Moscow WFTU Congress Session *[Havana TV]* 3
Risquet Closes Angolan Independence Event *[Havana TV]* 4
Equipment, Weapons Shipment Arrives From Angola *[Havana TV]* 4
Report Laments Plight of Santo Domingo Emigrees *[Havana TV]* 4

Bahamas

Government Acquires Controlling Interest in Bank *[CANA]* 4

British Virgin Islands

VIP, Chief Minister Stoutt, Win Election *[CANA]* 5
Election Results Cited *[CANA]* 5

Dominica

Press Association Circumspect on Media Transfer *[CANA]* 6
UWP To File No-Confidence Motion on Charles *[CANA]* 6
UWP Conference Elects Top Party Leaders *[CANA]* 6

Dominican Republic

Foreign Secretary Comments on Scheduled Strike *[Santo Domingo Radio]* 7
* Human Rights: Couple Arrested To Coerce Sons *[EL SIGLO 7 Sep]* 7
* Central Bank Development Loans Described *[EL SIGLO 28 Sep]* 7
* Economist Faults Administration, Pact *[EL SIGLO 26 Sep* 8
* Free Zones Face 'Desperate' Shortages *[EL SIGLO 28 Sep]* 8
* Coffee Crop Projected To Drop 40 Percent *[EL SIGLO 12 Sep]* 9
* Honduras To Sign Trade Treaty *[LISTIN DIARIO 7 Sep]* 9

Haiti

Election Preparations, Disturbances Reported *[Port-au-Prince Radio]* 10
ODCA Criticizes Manigat Disqualification *[Port-au-Prince Radio]* 10
CEP Official Casimir Comments on Elections *[Port-au-Prince Radio]* 10

MEXICO

PRD Requests Annulment of State Elections *[NOTIMEX]* 11
Mayoral Elections Results Expected 18 Nov *[NOTIMEX]* 11
Ortega Discounts Coup, Praises Bilateral Ties *[NOTIMEX]* 11
Salinas Gives 'State of the Nation' Address *[Mexico City TV]* 11

CENTRAL AMERICA

El Salvador

Santamaria: Government, Rebels Meeting Secretly *[San Salvador Radio]* 30

Guatemala

UCN's Carpio on First Round Election Results *[EL GRAFICO 13 Nov]* 30

Honduras

Military Proposes Sending Contingent to Gulf *[LA PRENSA 7 Nov]* 31
Military Concludes Agreement With Nicaragua *[Panama City ACAN]* 31

Nicaragua

Chontales Protestors Present Demands to Government *[Managua Radio]* 32
Roadblocks in Boaco, Chontales, El Rama Removed *[Managua Radio]* 32
Chamorro Asks Cardinal's Help in El Rama *[Managua Radio]* 33
Commission Appointed To Meet Region Five Mayors *[Managua Radio]* 33
Lacayo, Hurtado View Roadblock, Land Issue *[Managua Radio]* 33
UNO Member Parties Release Communique *[Managua Radio]* 37
UNO Followers Seize Churches in Masaya *[Managua Radio]* 37
Government Ministry Statement on Boaco Kidnapping *[Managua Radio]* 38
Payment Policy for Public Employees Unveiled *[Managua Radio]* 38
Antonio Ibarra Named Deputy Presidency Minister *[Managua Radio]* 38
Government's Gift for Problem Solving Questioned *[BARRICADA 5 Nov]* 38
* Commentary Criticizes Borge Interview *[LA PRENSA 4 Oct]* 39
Government Urges Relations With All Countries *[LA PRENSA 8 Nov]* 40

Panama

Banking President on Treaty, Money Laundering *[LA PRENSA 8 Nov]* 41
Bar Association President on U.S. Treaty *[LA PRENSA 11 Nov]* 41
Endara To Seek Japanese Aid During Visit *[LA ESTRELLA DE PANAMA 10 Nov]* 42
Security for Embassies Housing Refugees Tightened *[Panama City TV]* 42
Attorney General Will Request Noriega Tapes *[LA ESTRELLA DE PANAMA 12 Nov]* 42
Arias Calderon Denies Persecution of Media *[Panama City TV]* 43
Presidential Guard Reportedly Beats Reporters *[EL SIGLO 9 Nov]* 43
Journalists Meet Endara at Presidential Palace *[Panama City TV]* 44
Criticize Endara's Behavior *[EL SIGLO 9 Nov, etc.]* 44
Journalists Union Scores Endara, U.S. Ambassador *[EL SIGLO 12 Nov]* 45
Further Complaints Over U.S. Envoy *[LA ESTRELLA DE PANAMA 13 Nov]* 45
Ex-Legislator Accused of Breaking Asylum Rights *[EL DIARIO INDEPENDIENTE 10 Nov]* 46
Communique on Duty To Testify Released *[LA ESTRELLA DE PANAMA 10 Nov]* 46

SOUTH AMERICA

Bolivia

Court Approves Appeal for Annulment of Elections *[La Paz Radio]* 47
Banzer Requests Removal of Supreme Court Justices *[La Paz Radio]* 47
Troops To Conduct Routine Maneuvers in Chapare *[La Paz Radio]* 47
Labor Minister Announces Unemployment Figures *[La Paz Radio]* 48
EEC Asked To Finance Alternative Development *[La Paz Radio]* 48

Brazil

Collor Discusses Debt With French Premier *[O GLOBO 12 Nov]* 48
Cardoso Interviewed on Economic Issues *[O ESTADO DE SAO PAULO 11 Nov]* 49
* Past, Present Activities of Hugo Piva Surveyed *[VEJA 3 Oct]* 52

Chile

Nine More Police Officers Fired in Drug Case *[Madrid EFE]* 54
* Pending Legislation in Congress Listed *[EL MERCURIO 2 Oct]* 54
* Resolution of Human Rights Issue Postponed *[EL MERCURIO 7 Oct]* 56

Colombia

Government Takes Measures To Cope With Strike *[Bogota TV]* 59
Dynamite Explosions at Five Gasoline Stations *[Bogota TV]* 59
FARC Allegedly Dynamites Bus; 7 Killed *[Bogota TV]* 60
Situation 'Worsening,' UP Leaders Murdered *[Mexico City NOTIMEX]* 60
'State of Siege' Declared Over Strike *[Mexico City NOTIMEX]* 60
Radio Lists Government Decrees To Face Stoppage *[Bogota Radio]* 61
More on Measures Against Strike *[Bogota TV]* 61
President Gaviria Speaks on Strike *[Bogota Radio]* 62
Gaviria Says Most Workers, Unions Reject Strike *[Bogota Radio]* 65
'Extraditables' Vow Not To Release Hostages *[Bogota TV]* 66

Ecuador

Alfaro Lives Guerrillas To Surrender Weapons *[Hamburg DPA]* 66

Paraguay

PLRA Elects Leadership in 1st Direct Election *[ABC COLOR 12 Nov]* 66
New Leader Outlines Platforms *[ABC COLOR 12 Nov]* 67
Suspect in Chilean Financial Scandal Extradited *[NOTICIAS 11 Nov]* 67
Japanese Exempt From Compulsory Consular Visa *[ABC COLOR 9 Nov]* 68

Peru

Fujimori Speech Addresses Subversion, Terrorism *[Lima TV]* 68
Shining Path Leader To Appeal 20-Year Sentence *[Lima TV]* 69
* Views of U.S. Drug Trafficking Aid Differ 69
'Burdensome Donation' *[EL COMERCIO 6 Oct]* 69
'Nonsigning Weakens Nation' *[EXPRESO 30 Sep]* 70

Uruguay

Free Exchange With Brazil To Aid Common Market *[Madrid EFE]* 71
Lacalle Welcomes South African Minister *[Johannesburg THE STAR 12 Nov]* 71
3rd-Quarter Unemployment Rises to 9.62 Percent *[Madrid EFE]* 71

Cuba

Castro Attends Japanese Embassy Reception

FL1311135590 Havana Tele Rebelde Network in Spanish 1200 GMT 13 Nov 90

[Text] Commander in Chief Fidel Castro attended a reception hosted by the Japanese Embassy last night on the occasion of the enthronment of Emperor Akihito. The president of the Councils of State and Ministers was received by Japanese Ambassador Mr. Ryo Kawade. Castro expressed his congratulations for Emperor Akihito's ascent to the throne. Akihito is Japan's 125th emperor. The enthronement ceremony took place on Sunday afternoon.

The commander in chief signed the congratulations book opened at the embassy to that effect. Later, Fidel chatted with the numerous people attending the event. Among them was Mr. (Mosaku Harada), one of the oldest members of the Japanese community in Cuba.

At the end of his visit, the commander in chief talked to our reporter.

Castro Comments on Domestic, Foreign Affairs

FL1311173590 Havana Tele Rebelde Network in Spanish 1411 GMT 13 Nov 90

[Interview with President Fidel Castro by an unidentified reporter at a reception held at the Japanese Embassy in Havana on 12 November—recorded]

[Text] [Reporter] Commander, we would like to know what is the outlook of trade development between Japan and Cuba?

[Castro] Well, we have an ambassador who works very hard for the development of those relations and we cooperate with him. I think there are objective possibilities. Now we have to see what is the objective will of each of the parties. We are willing and we also know that many Japanese businessmen and friends want the development of those relations. They can become very broad.

[Reporter] Commander, given the development level we are reaching in technology, medicine, and biomedicine, do you think we could also export our goods to Japan?

[Castro] I am certain that we have goods that would be very useful in Japan. Yes, some of these goods could have a demand in Japan. The needs exist. Some of these goods are new and unique. Therefore, they could become part of our exports to Japan or any other country in the world.

We even have things that are needed in the United States. In the United States there are people and children who die of meningococcal meningitis. We have the vaccine, but because of their arrogance and hatred they [the United States officials] rather not save the lives of those children before they buy the vaccine from us.

[Reporter] Speaking of that, you are aware that the Bush Administration has a new bill pending. This new law would restrict the U.S. international companies that have subsidiaries in other countries from trading with Cuba. How could this affect us?

[Castro] That could affect us but it could also create many problems for the U.S. Government. No country likes decisions imposed from abroad or trade policies imposed from abroad on enterprises based in their territory. This used to exist. I remember that when Peron came to power in Argentina, a subsidiary of Ford... [corrects himself] that is, many of the automobile factories of the Argentine automobile industry were subsidiaries of international companies and they wanted to sell to us. Argentina wanted to sell to us. Peron wanted to sell us the equipment and even gave us credit. That created very serious difficulties for the U.S. Government to the extent that it had no other choice but to allow Argentine automobile enterprises to sell us equipment, autos, trucks, and other things.

Each government has its commercial policy, each government has its economic policy, each government wants to have the right to direct the economic policy, to determine where it exports manufactured goods. Those goods are not manufactured in the United States. Those goods are manufactured in those countries. To attempt to impose on those international enterprises certain rules is a true abuse of international power because they are being imposed on enterprises that are located in certain countries. It is logical that the countries react to that. For example, the Canadians reacted with anger. Any government that respects itself, will absolutely reject that type of ancient practice, practices that intervene with the economic policy of states.

So, I do not see that this has a good future. In addition, we have gotten used to all those forms and formulas of blockade. Ultimately, here were are even after so many actions, hostilities, and so much economic blockade on the part of the United States. We do no lose sleep over any of this.

[Reporter] And we have made great achievements. I wanted to talk a bit with you about one of our ....

[Castro, interrupting] I think you want to talk about many things. To talk a little about what?

[Reporter] Talk a little about something that has turned out to be very interesting in the scientific w[illegible]rld, the discovery or the creation in Cuba of that new sugarcane variety that promises to truly revolutionize the sugarcane industry because of its yield.

[Castro] Well, well, well, I am going to lower those expectations somewhat. I think it is a success. It is the first time a new variety is developed in a laboratory. This is according to what the comrades of the CENIC [National Center for Scientific Research]—where they developed that variety—explained. They achieved it through mutations. Science has been working for a long

time to get new varieties through mutations. Sometimes they use radiation. In this case, they did not use radiation, they used other techniques. They achieved a mutation and, with it, they achieved a better variety than the one we had. It yields 20 or 22 percent more sugar.

This is only one variety. The first thing I told them was that I thought one was too little. They told me that they were working on 30. Even if they were working on 30 through the same procedure, I said it was essential to multiply that since through the other procedure of crossbreeding varieties thousands, tens of thousands, hundreds of thousands are achieved. You can select a few, the ones that have the traits you want from those. You can select the ones that give good sugarcane yields, good sugar yields, that resist droughts, resist diseases. Those are the qualities that the geneticists look for in this formula. So, they achieved the new variety through mutation and harvesting of tissues. Harvesting of tissues is very important. They are also doing this with bananas and other goods. It is important because you achieve a new variety and you can reproduce large amounts quickly through the harvesting of tissues.

Two techniques are combined here, the technique of achieving the genetic mutation and the technique of multiplying it. It is important. The multiplication technique is being applied in many harvests, in pineapple, for example. If you are going to use the offspring the natural pineapple produces.... [changes thought] A regular pineapple plant yields one or two pineapples. You cannot plant it if if you want to plant 20 caballerias and you only have a caballeria of that variety. But if you apply this biotechnology technique, with a caballeria of pineapple you can produce through tissue harvesting methods or without the tissue harvesting method—by applying other less complex techniques, but reproducing many of the parts of the pineapple that can be reproduced—you can produce one of those plants in a laboratory. If you find a very good plant that you want to reproduce, that you want to select, you can quickly reproduce thousands of plants such as that one through through those techniques.

What we are doing.... [changes thought] We are doing this with bananas. There are banana sapling plants. We are doing this .... [changes thought] We are doing this with potatoes. We spend almost $10 million in potato seeds every year.

Those seeds have certain traits. If you reproduce them here, they will have to be produced from previous generations. That is, you cannot simply get seeds from previous potato harvests. You plant them and they no longer produce the same thing. They degenerate. This is what forces you to replenish seeds of certain varieties and to import a certain amount every year. We will be able to save those $10 million when we produce seeds in the laboratory. We spend almost $10 million. This is what it means. This is a good thing. It is a technique, one of the many things scientists are doing but they still have to work much more. Agriculture has to continue .... [corrects himself] Research centers have to continue using the two systems, the crossbreeding system and this system of mutation and tissue harvesting. All problems are not solved yet but, undoubtedly, it is good news. What we cannot imagine is that everything is solved in the area of sugarcane varieties.

[Reporter] Speaking of agriculture, Commander, the people has given a very good support and response to the food program. There is a large mobilization toward agricultural activities with the new camps that are being created. How do you think that is developing?

[Castro] The mobilization is not very large yet. There is an enthusiastic mobilization. I have visited many camps and have found that people are really enthused with what they are doing, they have taken all that very seriously. They fulfill and exceed goals. Even the 15-day mobilizations are fulfilling and exceeding the agriculture goals. Some such as the Union of Young Communists [UJC] camp in Guines, the UJC camp is fulfilling 150, 160 percent of the program. I met with some Havana Province youths, members of the Havana Province UJC, and they were fulfilling 140 and 150 percent of the goals. They were working extra hours. They were making a serious effort. They were working eight, 11, and 12 hours and were exceeding the goals.

I believe that all contingents are going to exceed the goals. I believe that, to a lesser degree, the forces that are mobilized every 15 days are going to fulfill and exceed the goals. They are going to make a large contribution to agricultural activities. The greatest effort at this time has been made mainly to build the camps. In January, we will have the 60 camps, plus one that will be remodeled will be 61, plus six in the citrus harvesting, will be 67. Efforts are concentrated on that now. The first contingents are already being mobilized. The mobilizations are being increased. But I believe that they will reach their peak in March and April. This is when we will need that force to support the regular laborers, to support the students who go to the schools in the countryside and those who go to rural schools.

So, in March and April, when it is time for harvesting and also for more planting - because spring planting is done simultaneously—we will need the maximum number of forces there. Later, in May, June, and July, when the students are taking their exams or are on vacation, we will greatly need this mobilization from Havana. All of them will not be mobilized year round. We will not have the maximum number of mobilized people throughout the year. I believe we will be five or six months the entire year. [sentence as heard] Later, we will more or less have two- thirds of the people or half of them. This would require much more time to explain and I do not want to take advantage here of the hospitality of the ambassador and of the Japanese Embassy.

Havana Construction Workers Sent to Countryside

FL1311224890 Havana Radio Reloj Network in Spanish 2043 GMT 13 Nov 90

[Text] The first group of construction workers from the capital who have been selected for permanent assignment to agricultural activities will be transferred to the neighboring Havana Province beginning in December.

A total of 320 men make up this group. They are members of the seven new-type contingents of the Ministry of Construction in Havana City. They will be settled in a camp in Guira de Melena.

The first construction workers from Havana City to be assigned permanently to agriculture will work on 40 caballerias of plantains that have the aerial microjet system, and on 12 caballerias planted with miscellaneous crops.

Daniel Socarras, vice minister for human resources of the Construction Ministry, said that the organization is working quickly to select three other contingents that will be assigned to agricultural tasks.

UN Delegate Hits U.S. Radio, TV Broadcasts

FL1311143090 Havana Tele Rebelde Network in Spanish 1200 GMT 13 Nov 90

[Text] Cuba has accused the United States of beaming television signals unilaterally to the island and of rejecting a free exchange of information between the two countries based on the respect of the national sovereignty.

Speaking at the UN General Assembly, Cuban delegate Ivan Mora Godoy said the U.S. Government lacks legal political justification to broadcast radio and television signals to Cuba under the free flow of information principle. Mora Godoy also recalled that young graduates from Cuban universities have made the interventionist intentions of the U.S. Government look bad using meager technological resources of a poor country

Military Vigilance in Face of U.S. Threat Noted

PA1311181590 Havana International Service in Spanish 0000 GMT 13 Nov 90

[Roberto Morejon commentary]

[Text] The viewpoint of the United States, chief adversary of Cuba, is the confidence that the island will go economically bankrupt in the wake of the crisis of socialism in East Europe and the growing domestic problems in the Soviet Union. To hear the White House tell it, time is running on the Cuban experience because social difficulties will be the undoing of the socialist revolution.

The U.S. Government viewpoint does not rule out, however, the option of a military attack on Cuba; and the recurrent military exercises in the Caribbean Sea demonstrate that. Division General Ulises Rosales del Toro, chief of the general staff of the Revolutionary Armed Forces, has said in Havana that a key principle of the Cuban military theory is never to be taken by surprise. That is why all of the country's mechanisms are geared to ensure an effective response to a possible aggression by means of a war of all the people.

The growing ideological confrontation with the United States, the hardening of the economic embargo, and Washington's new zeal resulting from developments in Eastern Europe indicate that the U.S.-Cuban dispute still exists. The response pattern of the Cuban Armed Forces considers maintaining permanent combat readiness, based on the regular land, sea, and air forces, and the en masse incorporation of citizens into defense organizations. The Cuban Government's way of thinking links, in an indissoluble manner, revolution, socialism, and national independence, since the return of capitalism would mean that the island would become an appendage of Miami.

People are aware socialism must be improved and defended at any cost. Along this line, the country created the conditions to be self-sufficient for five more years, without making further investments in defense and regardless of developments in the Soviet Union, our chief supplier of military means.

Ross Addresses Moscow WFTU Congress Session

FL1411022890 Havana Television Service in Spanish 0100 GMT 14 Nov 90

[Report by correspondent Daisy Gomez from Moscow]

[Text] The Congress of the World Federation of Trade Unions [WFTU] opened in the USSR today. In the morning session, Pedro Ross Leal, secretary general of the Cuban Workers Federation, addressed the gathering. He called for the unity of the WFTU to be strengthened by the methods and working style of the labor organizations.

In another part of his address, the head of the Cuban delegation said that the social drama and labor conflicts with which many peoples are currently afflicted cannot be solved by means of the much-heralded formulas that associate democracy and freedom with private property and a market economy. Those formulas, Ross said, arise from structures of exploitation that oppress hundreds of thousands of people worldwide.

Other speakers who took the podium at the congress agreed that although relations between the large powers have improved noticeably, the Third World countries continue to bear the burden of the foreign debt, and their workers continue to be faced with unemployment and poverty, while the United States is continuing its policy of intervention and force.

The Congress is scheduled to close on 20 November. Before then, the participants have to develop the WFTU strategy for this decade and approve the organization's new bylaws.

Risquet Closes Angolan Independence Event

FL1311192090 Havana Tele Rebelde Network in Spanish 1300 GMT 13 Nov 90

[Text] The main ceremony marking the 15th anniversary of the independence of the People's Republic of Angola has been held at the Basic Industry Ministry's cadres school in the capital. In closing the event, Jorge Risquet Valdes, member of our party's Politburo, recalled how when the enemy troops were at the doors of Luanda, Agostinho Neto asked Commander in Chief Fidel Castro for help and how swift the response was. The opening remarks were made by Angolan Ambassador to Cuba Luis Dokui Paulo de Castro.

Equipment, Weapons Shipment Arrives From Angola

FL1311141890 Havana Tele Rebelde Network in Spanish 1200 GMT 13 Nov 90

[Text] A new equipment and weapons shipment used by the Cuban internationalist contingents in Angola has arrived to the Guillermon Moncada Port of Santiago de Cuba. The good condition of the shipment proves the outstanding work of the Cuban combatants in charge of the evacuation, the quality of equipment and weapons repair in Angola, and the careful attention given by the personnel responsible for the en route maintenance.

Report Laments Plight of Santo Domingo Emigrees

FL1311190790 Havana Tele Rebelde Network in Spanish 1800 GMT 13 Nov 90

[Text] Our special correspondents in Dominican Republic have confirmed the situation experienced by the almost 7 million inhabitants of that country. They met a Cuban family living in exile that decided to leave Cuba six months ago.

[Begin recording] [Unidentified reporter] When and why did you and your family leave Cuba?

[Husband] I left on 13 May 1990. I left thinking that it was going to be better in this country. It has been the opposite. What I have found for my children has been a lot of poverty. They cannot attend school because I do not have the resources to send them to school. Without realizing it, I have dragged them into the mud.

[Child] My brother and I are not going to school. My brother was supposed to have started school. I should have started school a long time ago. I would have been in eighth grade in Cuba. I have not even started seventh here. We are struggling and going hungry.

[Husband] We live off whatever comes up. If they can eat a piece of bread they eat bread and a little bit of water and sugar because they are the ones who need to eat. What my brother-in-law brings here is 700 pesos. It seems a lot but 700 pesos a month here are not even 50 pesos in Cuba.

[Reporter] You were telling me that you have lost a few pounds.

[Husband] In almost six months we have spent here I have lost 32 pounds. These are my clothes. I used to wear these pants without a belt, and now I have to use a belt and see how they fit.

[Reporter] Tell me frankly, why are you crying?

[Wife, crying] My children are not going to school. The small one is not going to school, and I have to take him to the doctor. The little one is very upset.

[Husband] You have to calm down so you can talk.

[Reporter] Do you regret having left Cuba?

[Wife] I regret it. I would like to go back to Cuba.

[Reporter] Where in Cuba are you from?

[Husband] I am from Regla, from Havana City.

[Reporter] What was your exact address there?

[Husband] I lived on 486 Maceo St. in Regla. I worked at the Construction Ministry for 22 years. I am a carpenter and cabinetmaker. I make furniture, and I cannot work here.

[Reporter] Would you like to go back to Cuba?

[Husband] That is what I wish the most. I dream about it. I cannot even say how much I wish it. I think that the word you used, that we have been deceived, is not strong enough, it should be stronger. I have not deceived them. I have strangled them. I have dragged them into the mud to the level in which all they have afloat is their nose so that they can breathe and do not die as fast, so they have a slow death. [end recording]

Bahamas

Government Acquires Controlling Interest in Bank

FL1311152090 Bridgetown CANA in English 1548 GMT 13 Nov 90

[Text] Nassau, Bahamas, Nov 13, CANA—The Bahamas Government has taken over full ownership of Bank of the Bahamas, formerly Bank of Montreal Bahamas Ltd.

Euro-Canadian Bank Ltd., which went into partnership with the Bahamas government two years ago, has announced that the government has acquired its 49 percent interest in the bank. While it did not disclose the purchase price, well-placed sources said that Euro-Canadian was paid approximately U.S. 2.4 million dollars for its shares.

In a brief statement issued by G.P. Davidsen, general manager, Bank of the Bahamas announced a significant increase in its paid-up capital, to U.S. 10 million dollars.

Euro-Canadian was in agreement that the capital should be increased, said Davidsen.

"But as this would have the effect of reducing its holding to a level which did not meet with its corporate strategy, Euro-Canadian Bank Ltd. offered its shares to the majority shareholder," he said. Davidsen, a former senior official with the Bank of Montreal in Canada, was promoted to managing director of the bank. The partnership between Euro-Canadian and the government was the first public-private sector banking joint venture in the Bahamas.

British Virgin Islands

VIP, Chief Minister Stoutt, Win Election

FL1311144590 Bridgetown CANA in English 1341 GMT 13 Nov 90

[Report by Mike Jarvis]

[Text] Road Town, Tortola, Nov 13, CANA—The Virgin Islands Party (VIP) of Chief Minister H. Lavitty Stoutt was re-elected for a second four-year term in general elections here on Monday, provisional results showed.

The VIP comfortably fended off a challenge from three opposition parties to increase its majority to six in the British Territory's nine-seat Legislature. The ruling party retained its five seats and added a sixth with the defeat of Conrad Maduro, the leader of the British Virgin Islands United Party and opposition leader in the last Parliament. Maduro, the main election casualty, was defeated by Prince Stoutt, brother of the chief minister, in the Second District.

In the First District, the chief minister scored an easy victory over his two opponents, retaining the seat with a total of 520 votes. His two opponents each received 56 and 10 votes. The VIP had campaigned on its economic record over the past four years. The government argued it had successfully turned around the economy, making the BVI into a leading tourist destination and a haven for offshore financial business.

Two independents, including one-time Chief Minister Cyril Romney, won two of the three remaining seats. The result of the third was not available.

Electoral officials said voting trends suggested the election would have produced the highest voter turnout in recent years. This figure was expected on Tuesday.

Election Results Cited

FL1411002490 Bridgetown CANA in English 2007 GMT 13 Nov 90

Road Town, Tortola, Nov 13, CANA—Following are the results of polling in the nine electoral districts of the British Virgin Islands in Monday's general elections.

First District:		
Lavitty Stoutt	Virgin Islands Party (incumbent)	520
Ras Uhuru	Independent	56
Iram Hydman	Independent	10
Second District:		
Prince Stoutt	Virgin Islands Party	199
Conrad Maduro	BVI United Party (incumbent)	77
Carl Dawson	Independent	57
Malcia Rhymer Hodge	Progressive People's Democratic Party	18
Elroy Henley	Independent	6
Third District:		
Oliver Cills	Virgin Islands Party (incumbent)	344
Ishmael Brathwaite	Progressive People's Democratic Party	137
Earl Fraser	Independent	39
Edmund Maduro	BVI United Party	19
Fourth District:		
Walwyn Brewley	Independent (incumbent)	285
Elihu Rhymer	Virgin Islands Party	124
Inez Turnbull	Independent	108
Merrit Herbert	BVI United Party	69
Basil Blake	Progressive People's Democratic Party	28
Noel Lloyd	Independent	28
Ishmael Scatliffe	Independent	28
Donald Decastro	Independent	10
Fifth District:		
Cyril Romney	Independent (incumbent)	301
Eilene Parsons	Virgin Islands Party	254
Patsy Lake	Independent	22
Ulric Scatliffe	Independent	22
Harold Vanterpool	BVI United Party	24
Sixth District:		
Omar Hodge	Independent People's Movement (incumbent)	306
Roy Pickering	BVI United Party	163
Charles Mercer	Independent	137
Stanford Connor	Independent	20
Seventh District:		
Terrence Lettsome	Virgin Islands Party (incumbent)	210
Bettito Frett	Progressive People's Democratic Party	134
Collingston George	BVI United Party	57
Medita Wheatley	Independent	12
Eighth District		
Luis Walters	Virgin Islands Party (incumbent)	314
Willard Wheatley	Progressive People's Democratic Party	139

Alfred Frett	Independent	65
Ninth District:		
Ralph Oneal	Virgin Islands Party (incumbent)	445
Allen Oneal	Independent People's Movement	417

Dominica

Press Association Circumspect on Media Transfer

FL1311171590 Bridgetown CANA in English 1618 GMT 13 Nov 90

[Text] St. George's, Grenada, Nov 13, CANA—The Grenada Press Association has welcomed, with reservation, the passage of legislation transferring control of the state-owned media from the government to a proposed statutory body.

President Leslie Pierre, the editor of the GRENADIAN VOICE, registered the association's concern about the extent of control which the minister of information will have in the proposed statutory body which will manage Radio Grenada and Grenada Television.

"Unless we get the kind of board that will take the bull by its horns as it ought to do, then the legislation is a waste of time," Pierre said. "It also depends on if the minister concerned will leave the board to do its job."

Pierre said he was unhappy that Attorney-General Dr. Francis Alexis did not represent the position of the press association in his comments as he piloted the bill through the House of Representatives. The press association president said the organisation would take its seat on the proposed broadcast authority.

Sources said the board would be announced in a few weeks. It is expected to take up work in early January.

UWP To File No-Confidence Motion on Charles

FL1311164590 Bridgetown CANA in English 1530 GMT 13 Nov 90

[Report by Ken Richards]

[Text] Roseau, Dominica, Nov 13, CANA—Dominica's main opposition United Workers Party (UWP) has announced it will file a motion of no-confidence against the government of Prime Minister Eugenia Charles.

Opposition leader Edison James said he would take that step when Parliamentary sittings resume in December, or at the earliest opportunity. He acknowledged the motion most likely would be defeated by the one-seat majority government, but said it would represent a statement of the opposition's dissatisfaction with the government.

A weekend conference of delegates from UWP constituency branches across the island mandated the parliamentary group to table the no-confidence motion. James said the motion was in response to "statements by the prime minister to the effect that she was going to look after only those (constituencies) which had put her party into office (and) that she did not care what people thought, but...was going to do what she wanted because she was not going to stand again (for office)."

He also cited the lack of live parliamentary broadcasts, the rising cost of living, the increased size of the cabinet, and "the arrogant and irresponsible way" in which the government has handled deadlocked contract negotiations with civil servants and policemen.

"We expect (these) matters will be discussed by all parties in the House and that the issues which will be brought out will be able to persuade the elected parliamentarians to support the motion," James said. The ruling Dominica Freedom Party has 11 elected members, the UWP six, and the Dominica Labour Party four. There are also five government and four opposition senators in the House. Only elected members can vote on a no-confidence motion.

"Should the motion not succeed, it will, however, give us an opportunity to record in the Parliament the deep concerns of the people," James said.

"Indeed, as you go around the country and you listen to people, you hear them express their views (and) they are in fact expressing a strong vote of no-confidence in the government."

UWP Conference Elects Top Party Leaders

FL1311151590 Bridgetown CANA in English 1454 GMT 13 Nov 90

[Text] Roseau, Dominica, Nov 13, CANA—Delegates from constituency branches of Dominica's main opposition United Workers Party (UWP) re-elected Edison James as political leader at a conference on Sunday, a party statement said. The policy-making delegates conference took place ahead of the two-year-old party's annual convention scheduled for Sunday. This meeting will be open to supporters and the public.

Garnet Didier, who unsuccessfully contested last May's general election, was elected the new party chairman, replacing Senator Thomas Etienne. Senator Julius Timothy was re-elected deputy political leader/treasurer, and Senator Norris Prevost as general secretary.

About 150 delegates attended the meeting.

The UWP has six seats in the 21-seat Dominica House of Assembly.

Dominican Republic

Foreign Secretary Comments on Scheduled Strike

FL1311194990 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 13 Nov 90

[Text] Dominican Foreign Secretary Joaquin Ricardo has said he does not agree with the idea of armed civilians going out to the streets to defend the government during the strike called by several labor unions for 19 November. The official and leader of the Christian Social Reformist Party [PRSC] explained that the strike has lost its social demands nature and has turned into a political strike. Mr. Ricardo said: If there is a destabilization movement that attempts to alter the established order, we are going to go hard at it. Juan Aristides Taveras Guzman, political secretary of the PRSC, said that political party would group its members to face the strike.

* Human Rights: Couple Arrested To Coerce Sons

91CA0006A Santo Domingo EL SIGLO in Spanish 7 Sep 90 p 4

[Article by Jose Madera]

[Text] Mao—The Las 40 sector's Community Council has petitioned the chief of police to order the release of the two elderly persons who were arrested with intent to coerce their sons into surrendering to the authorities.

America Torres, Isabel Rodriquez, and Jose Francisco Lugo, representing the Council, state that Antonio Baez and his wife Lucrecia Dilone, both 60 years of age, were arrested solely because they are the parents of Hilario and Ramon Dilone.

The police are seeking Hilario and Ramon Dilone for questioning in connection with the burning down of the home of Bolivar Noesi, who slashed their brother, Emeliano Dilone, to death with a machete.

The Council argues that the imprisonedd couple is not responsible for the acts that took place and must therefore be released.

The petition is also addressed to the investigating magistrate, Judge Thelma Reyes.

* Central Bank Development Loans Described

91CA0006B Santo Domingo EL SIGLO in Spanish 28 Sep 90 p 1-D

[Article by German Reyes]

[Text] The Central Bank's Investment Fund for Economic Development (FIDE) has financed loans totaling 1.364 billion pesos over the past two years.

This total has been distributed among the agricultural, livestock, and industrial sectors, which are considered basic to the Dominican economy. For this reason, the socioeconomic impact of these loans was greatest with respect to these variables: domestic investment, substitution of domestic production for imports, the increase of exports, the incremental value added, and the generation of jobs.

A total of 2,883 loans were financed between 1 June 1988 and 31 July of this year.

FIDE's economic experts valued the socioeconomic impact generated by these loans at 1,037,603,590 pesos; the substitution of domestic production for imports at 113,860,853 pesos; the rise in exports at 225,926,977 pesos; and the increased value added at 1,266,936,086 pesos.

These loans, totaling 1,363,998,605 pesos in all, influenced the creation of 101,706 jobs, according to FIDE estimates.

Most of this sum, or 702,231,104 pesos, was channeled into industrial sector programs, which, paradoxically, received the smallest number of loans, totaling only 686.

For its purposes, FIDE divides its industrial sector operations into sub-programs. Its exports program received credits totaling 28,195,986 pesos; its BID-52 Credit Line program 40,934,219 pesos; industrial parks in customs-free zones 82,075,000 pesos; firms in customs-free zones 8,630,000; and its "energy conservation program" 4,858,067 pesos.

Of the funds channeled into the industrial sector, the largest single portion—516,470,994 pesos—went to the agroindustrial subsector. Other programs included small business development 14,087,328 pesos; "reembolsos" [literally: refunds, essentially: commercial-type (paper) credits to meet circulating capital needs] 3,030,000 pesos; and "other industrial sectors" 3,949,510 pesos.

FIDE's credit operations fall into two categories: Refunds and Direct or Personal Loans [essentially: secured or unsecured investment-type loans]. Commercial-type credits are short-term transactions, limited to not more than two years, such as those granted to exporters (pre-shipment and post-shipment cash needs), to owners and growers of short-cycle crops such as beans, corn, tomatoes, and others.

Investment-type loans are granted to finance fixed capital investments—such as structures, buildings, machinery, and equipment—and operating capital. These are generally medium- and long-term loans.

FIDE transacted 1,491 credit operations in the farming sector, totaling 405,701,353 pesos. Of this total, 115,120,468 pesos were investment-type loans, and 290,580,885 were commercial-type credits.

In the livestock sector, 706 operations were transacted, totaling 256,066,148 pesos, of which 219,923,392 pesos were channeled into investment, and the remainder into commercial credits.

Loans made by the Central Bank, which operates as a "top-tier" banker's bank, are channeled to financial intermediaries, that is: commercial banking, industrial [small loans] banking, mortgage banking, and economic development banking institutions. From those institutions, they are channeled to the end-user.

Currently, FIDE conditions the channeling of its funds so as to ensure their availability to the end-user at an interest rate of 36 percent. Since November 1988, this rate had been 24 percent. Prior to November 1988, it was regionalized: 17 percent for Santo Domingo and Santiago; 14 percent for projects to be carried out at the border, and 15 percent for intermediate cities.

* Economist Faults Administration, Pact

91CA0006C Santo Domingo EL SIGLO in Spanish 26 Sep 90 p 8

[Text] Yesterday, Pedro Manuel Casals Victoria said that the country is mired in "chaos, disorder, and corruption." He said that it is [secretary of state for the presidency] Rafael Bello Andino "who is actually governing," and warned that the country is on its way to hell.

Speaking on "Para Todos" [For Everyone], the TV program produced by Miguel Guerrero on Channel 13, the highly-respected economist termed it a disgrace to the country that a man like Bello Andino, "a page boy and stenographer by vocation," should be making decisions in the name of all the Dominicans.

He said it is necessary that Balaguer reassert his authority as chief executive and devote his entire time to dealing with the crisis that has beset the country.

He then stated that, to do this, the president must surround himself with qualified persons and eliminate "the ring that now encircles him."

According to the morning news program, Casals Victoria stated that there is more corruption in the nation now "than in previous times and previous Administrations."

Referring to the chaos in which, in his opinion, the government finds itself, he asserted that its primary cause is the Administration's inability to govern not only the country, but also any of its official institutions. "The Administration's tendency is to think that anyone can fill any position, and it places untrained persons in institutions to fulfill specific functions," he charged.

Referring again to Bello Andino by name, he said that in all probability it was on his recommendation that the president appointed medical Dr. Rodolfo Rincon Martinez as secretary of finance; engineer Guillermo Caram to the Central Bank; and Luis Toral, "son of a coffee grower," also to the Central Bank.

Casals Victoria said that Balaguer is putting those institutions in the hands of persons who are altogether incapable of filling those positions. He charged that the country cannot be managed in this manner, and added that "all the institutions are in a chaotic state operationally, and all the country's sectors paralyzed, including the agricultural."

The economist asserted that "reliable and capable people refuse to work in a situation like that, because it is unconscionable."

Referring to the CDE [Dominican Electric Power Corporation], he continued attacking Bello Andino, saying that the entity is being run by none other than Andino. "In the Palacio Nacional, contracts have been signed involving more than 30 million pesos to procure power plants, without having gone through the CDE's Board of Directors, or through the National Congress," he asserted.

At another point in the interview, he said tht he does not believe in the Economic Solidarity Pact "because it does not contain a single goal that would benefit the economy." He added that, moreover, it was a pact managed by the "monetary fundists."

He said that the country is on a course bound for hell, and that "if the Pact continues, the nation will enter a period of hyper-inflation," after a period of economic recession produced by the measures that have been adopted by the Administration.

In another context, Casals Victoria termed "ridiculous" the sum of 53 million pesos that President Joaquin Balaguer has put at the disposal of the Secretariat of Agriculture for the planting of short-cycle crops.

In this regard, he argued that the rice crop alone requires an investment of more than 1,000 million pesos. "The Administration does not understand agriculture and is going to let it collapse. There will be no money, and it is oblivious to what is actually going to occur in this country," he said.

In a more hopeful tone, Casals Victoria said that there is still a way to rescue the country and the economy, but that, to start with, this will require high-level measures, such as eliminating the palace clique and appointing qualified persons to the official entourage who care about the Dominican situation.

* Free Zones Face 'Desperate' Shortages

91CA0006D Santo Domingo EL SIGLO in Spanish 28 Sep 90 p 1

[Article by Mily Contreras]

[Text] San Pedro de Macoris—The president of this city's Free Zone Industries Association, Angel Castillo, said that the situation in this sector is desperate, owing to the lack of fuels and the extended blackouts.

This situation, Castillo said, is compelling these industries to buy new standby power generating plants,

because their present ones are only for emergency use, that is, for just a few hours of continuous operation at a time.

As a result of the fuel supply problem, he said, some ten firms have had to shut down their operations temporarily until they can obtain fuel.

The business leader termed the circumstance in which the free-zone industries must operate very detrimental, and stated that, unless the problem is quickly resolved, the firms will continue having to shut down.

Castillo contended that the industrial parks must be granted an authorization enabling them to import directly the fuel they need, given that the government's problem is a lack of dollars, and that the sector pays for its fuel in U. S. dollars through the Central Bank.

He said that the government has already been paid for the fuel and is therefore obligated to deliver it to the free zones.

With respect to the measure instituted by the Secretariat of Industry and Commerce providing for the substituting of gasoil for gasoline. [as published]

He also contended that the free zones must be accorded special treatment, because besides not depending on the domestic market, they are having to face stiff competition from countries that provide electrical energy and potable water on an ongoing basis.

* Coffee Crop Projected To Drop 40 Percent

91CA0006E Santo Domingo EL SIGLO in Spanish 12 Sep 90 p 1

[Article by Florencio Ml. Tejada]

[Text] Moca—The president of the Villa Trina Coffee Growers Association said that the 1990-1991 coffee crop will fall short of last year's crop by 40 percent.

Mario Emilio Caceres Rodriguez pointed out that this drop is very significant at a time when increased production is needed instead, and contended that, although coffee prices are very acceptable once the dollars have been converted to pesos, the rises in production costs and living costs are exceedingly high, thereby considerably reducing revenues for the producer.

The president of the Association attributed the reduced size of this year's harvest to a lack of technical maintenance and to discontinous production.

Climatic conditions had a significant impact on the plantations, he said, since on the one hand, the rains affected the plants as they were beginning to bloom, and on the other hand, this was followed by the drought.

"On the one hand," he said, "the rains came when, in reality, what the plants needed was sunshine. But when they needed rain, what came was the drought. In other words, the climatic conditions and their impact on this year's crop were completely adverse."

To all of this, he said, increased production costs must be added along with the lessened incentive to producers, which are causing many to abandon their land or to not give it adequate maintenance, knowing as they do that their revenue will not be sufficient to cover their costs.

He added that the effects of the exchange rate markup and of Law 199 are still acting as significant disincentives from the producers' standpoint. They see themselves frequently paying out large sums in taxes with no profits in sight.

Added to all these factors, he said, is also that of the high costs of fertilizers and other materials that go into the production of coffee, and whose prices have put them beyond the reach of the country's small producers.

Another of the reasons for today's poor prices is the fact that the freeze which was expected to affect Brazil did not work out. He did say, however, that prices are rising slightly on the international market. But on the other hand, the current slight rise in prices is customary around this time of year.

* Honduras To Sign Trade Treaty

91CA0006F Santo Domingo LISTIN DIARIO in Spanish 7 Sep 90 p 3

[Article by Epifanio Rodriguez]

[Text] Santiago—In a speech titled "Dominican-Honduran Relations," delivered before the Santiago Chamber of Commerce and Production, the Honduran ambassador, Dr. Ivan Romero Martinez dwelled on his government's interest in expanding trade and cultural relations with the Dominican Republic, and stated that proceedings toward the signing of a trade agreement are at a well- advanced stage.

Dr. Romero Martinez also stated that he will apply to the Secretariat of Foreign Relations for authorization to install a Honduran Consulate in Santiago in view of the vigorous growth of the region in this country.

He also referred to organizational work being performed in Santiago by the Dominican-Honduran Chamber of Commerce, saying that this work attests to the importance of Santiago and the Cibao, and that this is why he decided to hold a series of talks with local representatives.

"We are interested in maintaining strong and close-knit bilateral relations in all fields," he said, adding that "We Hondurans have much to learn from the Dominicans."

With regard to trade, he said that his country exports mainly lumber, cement, and clinker to the Dominican Republic, and that his country is interested in fertilizers, pharmaceuticals, and agricultural tools, among other things.

The diplomat emphasized the desirability of "a steady ongoing strengthening of our democratic identity in our shared desire to elevate the values of our human identity."

And he added: "In these times of upheavals and changes, of great expectations, we desire to see the necessary cooperation among states, peoples, and communities revitalized under the aegis of basic principles, such as: the struggle for peace, for culture, and for cooperation characterized by interdependence."

His speech included a description of his country's history, geography, trade, and culture, and of the ties it has maintained to date with the Dominican Republic.

Dr. Ivan Romero Martinez was introduced by lawyer Hache Alvarez, who spoke of the Chamber of Commerce's interest in continuing to develop this type of relations.

Dr. Romero Martinez presented Hache Alvarez with a plaque expressing thanks for the initiative shown by the Santiago Chamber of Commerce and Production in support of trade between the Republic of Honduras and the Dominican Republic. The Chamber made a similar presentation expressing its thanks to the Embassy.

The event, held in the Restaurant El Dragon, was attended by, among others, the governor of the province, Ms. Rosa Fadul; Santiago's deputy mayor, Francisco Vasquez; Jose Antonio Haddad; Jean Antonio Hache; Miriam de Romero; and Manuel Handal, the Embassy's commercial attache.

Haiti

Election Preparations, Disturbances Reported

FL1311195590 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 13 Nov 90

[Text] The number of voters registered to vote in the general elections, in two ballots on 16 December and 13 January, is 2.7 million. These voters will elect one president, 27 senators, and 83 deputies. All candidates running at the same level will be listed on the same ballot. The voter will mark a cross under the candidate he prefers.

The electors will also be choosing, in the same elections, 402 mayors to manage the communes and 1,695 Communal Section Administration Council members.

The head of the Haitian Armed Forces, Lieutenant-General Herard Abraham, says he firmly believes that the elections will be properly carried out, without anxiety. Some questionable incidents have, however, already begun to occur as the elections approach: a large fire broke out in Cap-Haitian over the weekend; one person died in a fire that destroyed a house at First Bolosse Avenue; and last night in the Delmas 19 area, many tires were burning. The police were obliged to intervene to clear the road of the tires, but there were no witnesses.

ODCA Criticizes Manigat Disqualification

FL1311192190 Port-au-Prince Radio Metropole in French 1700 GMT 9 Nov 90

[Text] According to a letter from the Christian Democratic Organization of America [ODCA], they consider the decision of the Provisional Electoral Council [CEP] to reject Manigat's candidacy as a blatant violation of the professor's rights. The organization firmly protests the low blows continuously dealt Professor Leslie Manigat and his party.

CEP Official Casimir Comments on Elections

FL1311204990 Port-au-Prince Radio Nationale in Creole 1200 GMT 1300 Nov 90

[Excerpts] Following are statements made in a declaration by secretary general of the Provisional Electoral Council [CEP], Jean Casimir:

"We hope that in the next elections we will be able to pull all our political men together into one united family." He also declared that relations with foreign observers now in Haiti are fine, and that these relations are unfolding with respect for electoral law. Casimir believes that the movements of former president of the Republic, Professor Leslie Francois Manigat, are not the concern of the CEP at all, but rather of the executive office. Reporter Louis Seize Frantz met him for further information.

[Begin Frantz recording] After the CEP rejected certain presidential candidacies because they were not in compliance with electoral law, several of the disqualified candidates expressed discontent with the CEP's decisions, and are legally contesting the results. One such candidate is former president of the Republic, elected in the 17 January 1988 elections, Professor Saint-Rock Leslie Francois Manigat. Manigat said in a news conference that the CEP had validated his mandate, and that he should therefore be allowed to continue to run. [passage omitted] Casimir said that relations between the CEP and the foreign observers who have come to verify and control the electoral process are very good, cordial relations. Everyone stands within the limits the law provides them. [passage omitted]

PRD Requests Annulment of State Elections

PA1411022590 Mexico City NOTIMEX in Spanish 0008 GMT 14 Nov 90

[Text] Mexico City, 13 Nov (NOTIMEX)—The Party of the Democratic Revolution (PRD) has enough documented evidence and the necessary resources to request the annulment of the elections in the state of Mexico, Deputy Alejandro Encinas has reported.

The deputy, a member of the PRD committee in Mexico State, also said there were irregularities in more than two-thirds of the municipalities, therefore, demonstrations will be held.

Encinas announced that the protest, which will begin on Wednesday, 14 November, includes demonstrations in front of the district, municipal, and state election committees, as well as outside the local chamber of deputies.

Alejandro Encinas said his party is not willing to negotiate, let alone haggle over the results. "We will demand that the elections be held again, even in the areas where we won," Encinas said. In order to get the ballots annuled, the PRD will file a protest.

Mayoral Elections Results Expected 18 Nov

PA1311154690 Mexico City NOTIMEX in Spanish 2112 GMT 12 Nov 90

[Text] Pachuca, 12 Nov (NOTIMEX)—Eduardo Cano Barberena, president of the State Electoral Commission (CEE), reported that there were only 32 minor incidents during the local 11 November elections to chose 84 mayors. He also reported that difficulties at some of the 1,032 polling stations were taken care of in a timely manner, so that the people could cast their votes.

Cano announced that official results will not be known until 18 November, when most winners will receive their credentials. For the time being, he added, the CEE cannot provide preliminary results because the electoral lists have not been received from the 84 municipal committees.

Meanwhile, PRD [Party of the Democratic Revolution], PAN [National Action Party], and PRI [Institutional Revolutionary Party] representatives admitted that there was marked absenteeism in these elections that could exceed 80 percent of the 914,041 people registered.

The Cardenist Front for National Reconstruction Party (PFCRN) announced that it will ask for the Serrano de Calnali Municipality elections to be annulled because PFCRN polling station representatives did not have the proper accreditation. The PFCRN said that the road leading from Serrano de Calnali Municipality—a village of about 15,800 inhabitants—to Huazalingo will remain blocked until their petition is answered.

Ortega Discounts Coup, Praises Bilateral Ties

PA1111200690 Mexico City NOTIMEX in Spanish 2000 GMT 10 Nov 90

[Text] Mexico City, 10 Nov (NOTIMEX)—Daniel Ortega, ex- president of Nicaragua, has said that the probability of a coup in Nicaragua can be ruled out because the people have decided to walk on a democratic, pluralist path.

Interviewed at the Mexico City International Airport before departing for Nicaragua, Ortega said that it is important for the Latin American nations "to have their own brand of socialism."

Ortega admitted that the Latin American nations "have not been strong enough to forge ahead and that they are now undergoing a test of fire" because of U.S. pressure to create an open market throughout the continent.

"What we need to do is defend our self-government and self- determination in order to improve the Latin American people's standard of living," Ortega added.

He said that Mexico is an undisputed leader for freedom and democracy and that by using instruments like the Group of Rio, Mexico has properly oriented the aspirations of the people of the region.

In addition, Ortega dismissed the notion that Cuba has been left alone in its struggle for socialism. "All of Latin America should seek a socialism that is closer to the reality of the people rather than limiting itself to theory."

Referring to the current situation in Nicaragua, Ortega said that this country is progressing in its democratic project and that the Sandinists' electoral defeat "is part of the strategy to make pluralism a reality in the country."

Finally, Ortega said: "The Sandinists lost the elections because that is what the people wanted. Nevertheless, we are on the right track and will help the nation's development."

Salinas Gives 'State of the Nation' Address

PA1011213790 Mexico City Red Nacional 13 Imevision Television in Spanish 1657 GMT 1 Nov 90

["State of the nation" address by President Carlos Salinas de Gortari before the National Congress at the Palace of Fine Arts in Mexico City—live]

[Text] [Salinas] Honorable Congress of the Union, Mexicans:

I hereby comply with the constitutional responsibility of addressing the opening of the first regular period of sessions of the Congress of the Union. At this time I deliver a written report on the state of the federal public administration. I am also here to reaffirm a healthy republican practice of our political system and because I recognize our public responsibility to serve the nation.

During the period covered in this report, the country has confirmed its determination to change and modernize

itself to strengthen its international image and improve unity among Mexicans. Our country is modernizing to make our economy viable within an international context of strong competition, thus generating jobs and opportunities for all. It is modernizing to channel political differences in an orderly fashion and with social peace so that it can promote the necessary unity to face internal and external challenges. It is modernizing to develop a more just, generous, valuable, and respected society in the world.

We do all this to remain sovereign as Mexicans. This has been the purpose of the changes in which we are all involved and that reflect our nation's strength. Our commitment to change is firm. It has precise conditions and defined objectives: sovereingty and territorial integrity, preservation of legal institutions and freedoms, and consolidation of conditions for economic and social development.

Changes must also protect society's most ingrained traditions: family unity, a culture that makes us different from the rest of the world, our language, and the symbols that unite us. The strongest beliefs of Mexicans must be respected. Changes must strengthen the republic's general stability and inspire pride in belonging to this great nation.

The world is experiencing profound transformations in all fields. In the political field, the cold war and bipolarity is over. A splendid encounter with liberty has knocked down rituals, barriers, routines, and old hierarchies. New opportunities for dialogue are open, and there is an awareness of broader options. In the economic field, we have witnessed the internationalization of markets, financial interdependence, and growing competition. In the scientific and techological field, we have entered into a real revolution in productive processes and daily life.

These changes are encouraging. The difficulties that the new configuration brings would be more serious without the transformations that have made it possible. The world we left behind, however, was relatively predictable. It is no longer that way. Uncertainty is the distinctive note of the moment, and world interrelation is the future tendency.

Changes are taking place so quickly that the current scenario is already different from the one that existed at the beginning of the year. The Persian Gulf conflict suddenly reminds us that it is illusory to remain optimistic without overcoming profound imbalances and without a willingness to abide by current laws.

Many of the current events were unpredictable; however, nothing is simple and events affect all of us. Nobody can escape their strong impact. The task of making changes concerns all of us, not just developing countries.

Today we see old enemies—historically involved in confrontations—proposing common goals, reorganizing their economies, and openly accepting cultural exchanges.

Those nations that do not adapt themselves creatively will not be able to maintain their integrity. Those who do not do so in time will allow the opportunities offered by the new situation to pass by and will be forced to suffer the disadvantages one by one: stagnation; technological insufficiency; social tension; and finally, national weakness, which means an effective loss of sovereignty.

We have decided to face those changes and take advantage of their opportunities to reduce the risks. We want to control the new winds blowing outside to stop them from turning into unexpected storms inside.

The general failure of the overprotected growth models, strongly nationalized economies, and authoritarian political regimes validates the paths we have chosen: the path of commercial, financial, and technological opening; the path of reforming the client and owner state into a supportive and fostering state; and the path of dialogues and agreements in the framework of a new political culture.

Today Mexico's strength and sovereignty do not end at its borders; they must also be felt outside our territory, in the framework of interdependence and globalization.

If anything has been constant in our national strategy, it is our will to change ourselves while the world is experiencing great changes. Our history also teaches us that we may set out to conquer our place among nations with confidence in our culture's strength and permanence.

For centuries we have preserved the oldest traditions and absorbed the newest currents. The streaks of identity and the sense of belonging within that culture still live with unique vitality inside each Mexican. They give us security and confidence to go beyond our borders and enter into the world.

There is much talk about the end of bipolarity and the dawn of a new multipolar configuration; however, the fact that we live in a time of military preponderance is not sufficiently admitted. In the meantime, new economic, financial, and cultural poles are being consolidated.

The democracies emerging in central Europe are being born with an innate rejection of inefficient production, cultural oppression, and authoritarian bureaucracies. They are now experimenting with the political institutions and are trying out bold economic strategies because their great neighbor's hegemonic plans have practically disappeared. They can accept internal risks because they no longer have an immediate threat to their sovereignty on their borders.

This is not the case in Latin America, where our external conditions have wrought other forms of boldness. In our

continent, a democratic spirit is reborn and a new desire to overcome stagnation and dictatorships has emerged.

Beyond these intentions, our geopolitical circumstances remain the same. That is why the defense of sovereignty remains our fundamental objective. This is the most important thing for Mexico; it is its decisive political objective in its new relations with the world.

Economic multipolarity also presents new challenges for Mexicans. Each day, three large blocs that lead dynamic development throughout the world are profiled before our eyes: Europe, the Asian Pacific, and North America. They hold the capacity for financial, commercial, scientific, and technological transformation.

These new blocs do not always have the will to welcome and offer productive and respectful ties with nations like ours. They have many internal differences, and they integrate in a different manner.

We must struggle persistently and creatively to confront the competition and negotiate our national participation in the new world configuration. It is no easy task. How do we direct the internal changes and promote negotiations with the new world development poles? How do we strengthen sovereignty in a world of growing interrelations? How do we get the world to recognize self-determination?

The response Mexico has adopted in accordance with our history and our circumstances has two currents: one is external, the other internal. In the external field our strategy is based on the diversification of our relations. With Europe, in view of its unification by the end of 1992, we are negotiating an agreement that will effectively guarantee Mexico's access to that huge market.

Japan and other Asian countries are forming an extraordinary financial, commercial, and innovative bloc. We are trying to benefit from their fast growth and to participate in the Pacific Basin Agreements.

We are trying to establish free trade with the United States. We already have intensive commercial relations with that country, which in the absence of specific guidelines tends to grow in a disorderly and unbalanced way.

The inclusion of Canada would give the treaty we are seeking a broader scope and would create in this part of the American continent the largest free trade zone in the world. The point is clear. We must accept the new rules of world competition. We must accelerate economic changes internally. We need to increase our participation in world markets. Sovereignty is not firm if we base it on stagnation, on a self-imposed restriction from the international centers of technology and resources under the naive argument that these centers only serve to make up trade rules that are disadvantageous for the developing countries. Sovereignty does not imply self-sufficiency or autarky, a lack of influence or relations. Interdependency does not necessarily threaten sovereignty. This is the case only when it is based on controlling the direction of internal changes, inasmuch as there can be interdependency only between sovereign states; otherwise, this would mean subordination, which we cannot accept.

That is why we struggle, shoulder-to-shoulder, as the best one, for the place our country can and should occupy in the world. We want Mexico to be part of the First World, not the Third.

In the internal field, we strengthen sovereignty by promoting justice and improving the well-being of the people. The task ahead is to improve solidarity and the situation of inequalities. We share the people's interests with the generations that built our nation and defined our identity. To appeal to the sentiments of the nation is something much more than just a rhetorical reference to the foundations of our history. It means to recognize our Mexican identity, because justice promotes the social cohesion of the nation, which is the foundation of sovereignty.

That is why we must ask ourselves the following question: As we defend our nation in the world, who are we defending inside our borders? To defend the sovereignty of Mexico, we must with justice integrate everyone into national life. We must also eliminate social differences, as well as improve the participation of as many people as possible in the issues and the benefits of the collective efforts.

It is easy to mention ways this can be done, but it is difficult to implement. We must increase well-being, improve the effective opportunities for employment, education, health, food, housing, security, a healthy environment, self-esteem, and personal improvement. We must have economic growth and just institutions. We must ensure the participation of the majorities in the decisions that affect them. To sum it up, this means democracy on a day-to-day basis. Although people seem to forget it, it is equally important.

Sovereignty entails justice. Sovereignty demands greater opportunities and access to justice for all. Sovereignty entails the elimination of poverty. That is the greatest task our society has. The extreme inequalities threaten our identity, our self-determination, and even our own pride. That is why to advance towards forms of more specific equity is an expression of nationality, and to express our solidarity with those who need it most is the best expression.

National sovereignty should invoke the sovereignty of the people, as well as democracy, solidarity, and unity in the face of the nation's challenges. For this, we need a state that is concentrated on the basics, a promoter of the social infrastructure, with the answers to the people's most urgent needs. This, and nothing else, is the sense of the reform of the state and of justice. This is necessary to have the strength demanded by our superior goal: sovereignty.

There is no other way to reform the state than to upgrade its institutions, making sure its actions adhere to the law, depend on the support of society, and abandon its propertied and exclusive nature. An excessively propertied state became unacceptable in the face of a people with excessive needs. A propertied state weakened the health of the economy, political services, the spirit of the people, and the effective defense of the country abroad. That is why a unified state, whose goal is justice, does not support protectionism or oligopolistic privileges, but regulates more effectively. It does not own but lead. It does not replace but guide.

A just state does not renounce its constitutional duties, chiefly its strategic properties, but rather consolidates and abides by them. It uses public spending to open up opportunities and ease the impact of the crisis as well as the impact caused by the change to a new model of development. The justice sought by a unified state entails defending sovereignty from within. The modern defense of sovereignty requires a state that simultaneously has ties to the world's center of development and extends justice to its citizens.

To achieve this goal, the state must promote growth and better represent the people, something which in turn entails political and economic reform of equal scope and depth. Mexico's sovereign destiny rests on democracy and shared prosperity. In political terms, its full fruition requires new possibilities of expression and association to think and say what best suits one's interests, as well as of institutions and practices that strengthen democratic responsibility in the exercise of freedom, and of political organizations capable of governing and defending the interests of the sovereign republic.

In economic terms, we need clear and permanent rules and conditions for sustained growth so that every Mexican can work in the profession or enterprise that best suits his welfare, as well as that of his family, always promoting the general interest that serves everyone's interest. Economic growth makes sense only if it fulfills the final objective, which is to raise the living standard of all Mexicans. This objective makes it imperative to maintain stability, increase production, and more effectively distribute its benefits.

That is why we rule out proposals that favor a few to the detriment of the welfare of the majority. That is the case of excessive protection versus foreign competition, excessive regulation that creates monopolies and encourages abuses, and indiscriminate subsidies in times of shortages. Such anachronistic practices divide the people into two groups: the few that benefit and the many who must pay. They inhibit productive work, favor relations based on privilege, and paralyze the initiative of Mexicans. For that reason, Mexico's economic modernization is eliminating these old attitudes.

An economy that works is above all a stable economy. The inflation hurts most those who have less, hampers investment, and disheartens society. Stability means orderly public finances and open competition. It demands that the government not spend what it does not have and that it spend wisely. Countries that have had higher deficits and have closed their economies have encouraged their societies' stagnation, not their progress. Certainly, some want to link a government's social orientation with fiscal disarray. Others feel that budget discipline and free competition alone suffice to benefit all the people.

Our historic experience and that of other countries tell us the latter view is a deception, however, and the former view does not hold true. The state must always act with fiscal responsibility, promote growth, reconcile clashing interests, and moderate differences without inhibiting society. Excessive government intervention, and, on the other extreme, nonexistent government intervention, are equally harmful. With no government intervention, differences become radicalized, abuses are encouraged, injustices are protected, and inequality ends by harming everyone, even those who think they have the best positions.

As we have seen, excessive intervention creates sources of inefficiency and privilege, lack of attention, subservience, and weakness. Those who gave us our Constitution and institutions sought a just state that participates in social and productive life and defends the nation. Most of all, they strove for a state committed to the welfare of the people.

The reform of the state can become a daily reality through our historical will, which remains strong. We have to unite our wills and efforts to advance with sure steps without affecting the country's general stability. The only way to do this is through constant dialogue, reaching more agreements, and fulfilling them promptly.

Democracy is Mexico's commitment and existence. By opening channels of popular expression and participation, democracy releases the potential creativity of our society. A new social consensus, by overcoming uniform criteria and different wills, promotes domestic unity, which is necessary to subsist in the modern world. Our democracy is sovereign. It admits the universal ideal of self-government through representation, and pluralist, universal, and secret voting; however, it does not imitate, nor does it subordinate itself to outside opinions. The debate on our democracy has no limits. There is only one judge, and that is the Mexican people. We learn from the world anything that can enrich our political life; however, we value the good things we have. These are things that are sometimes so obvious that we do not realize them.

We do not have a system of make-believe parties. Our system was forged in recent history. It will allow us to learn to coexist in full respect for law and order, with the greatest responsibility toward our nation.

Democracy's political initiative is in line with our country's economic modernization. We want a democracy

equal to the best in the world, able to lead our country to high levels of consensus and with efficient mechanisms to settle differences.

In the country's political institutions, the axles are enforcement of the law and a public service that serves the people without abusing power. We are not dealing with mere administrative formulas, but with the effective protection of rights and a speedy reply to demands. The state is modernizing its relations with civilian society and promoting its new political culture, which citizens and social groups are already feeling.

Neither sovereignty, nor justice, nor democratic culture can prosper in the arbitrary exercise of power. Nor can they prosper without the citizens' civic virtues and the parties' political responsibility to the nation. Finally, we should all strive to educate ourselves about the law and to enforce it.

Political change should not destroy our institutional base, nor should it disrupt social peace. These are conditions necessary here and everywhere to achieve national goals. Mexicans do not want adventures, abrupt changes, nor unnecessary risks. We want dialogue, respect, and responsibility to tread the path to improve the nation's political life. Electoral democracy is not attained through practices that endanger the nation's stability or the continuity of our institutions.

We should congratulate ourselves for the new legal instruments approved by the multiparty majority in Congress.

[Congress President Gonzalo Martinez Corbala interrupts to advise senators in the audience that this is a state of the nation speech, and it is not open to parliamentary debate or interruptions] [applause]

Finally, to educate ourselves about the law and to enforce it is the simple reply we should all seek. Political change is not made to destroy institutional peace or to break social peace. In its daily participative dimension, democracy has passed the test of the government's closeness to all social groups and their participation in reaching solutions.

I tour the nation constantly. I listen to the people's demands. I make promises and I fulfill them. Tolerance and political dialogue have prevailed in government programs. Democratic values lie in the new participation by the people, the increased autonomy of individuals and groups, the agreements, negotiation, clear laws, and responsibilities.

Mexico's sovereignty is founded on a community and collective virtue that has always sought social justice, the eradication of poverty, and the construction of institutional means that guarantee shared welfare; however, it is also a sovereignty based on solidarity that is fed and strengthened through consensus and participation.

In this respect, sovereignty is also democracy, participative democracy, tolerance, dialogue, consensus, and concerted action. Deputies and senators of the republic: The aim of this message is to report on what society and government have done this year, to look at it in light of the major transformation of the world, and to outline the national tasks to which we will now be devoted.

Foreign policy is a fundamental instrument for sovereign relations with other nations. Respect for the right to self-determination and nonintervention in internal affairs guide our international actions. We invariably support peaceful solutions of controversies and the legal equality of states. We know development can only be possible with international cooperation that is free of threat and the use of force.

That is why the reaction to this global transformation has been the decided commitment to diversify our relations and undertake a gradual rapprochement with new regional blocs. We were visited by 12 heads of state and government. In addition, I have held meetings with 34 leaders. We opened up to the world, to the center of greater dynamism, and to centers that are more natural to us, where our undertakings are of historic and cultural significance.

We seek an interaction with the United States that recognizes the importance of bilateral relations for the two countries, stressing dialogue, respect, and reciprocity. We have emphasized balance in commercial and financial relations and better cooperation in the war on crime and drug trafficking that is respectful of sovereignty, national rights, and good faith. We have demanded fair and humane treatment for undocumented aliens, and we established a program for Mexican communities abroad.

I visited Washington in June, and on that occasion I discussed with President George Bush topics on the bilateral agenda, in particular commerce. We began talks to find means to allow a vigorous development of our economic relations for the benefit of both countries. The national consultation forum, organized by the Senate on the topic of Mexico's commercial relations, concluded that it was advisable to have a free trade agreement with the United States. It demanded reciprocity for our unilateral commercial opening, elimination of tariff and nontariff barriers, awareness of different levels of development, elimination of unilateral measures and subjective interpretations, and objective mechanisms to settle differences.

We conducted the dialogue on these bases. We are in the phase of analysis and consultations. As we had foreseen, formal negotiations will not begin until the first half of next year. Mexico will present a single front, taking into consideration the interests of businessmen and middle-class groups, the rights of workers, the concerns of peasants, and the opinions of experts. We will proceed seriously, with the strength that stems from the actions we are conducting at home with substance but without

haste, and with the time that is required to obtain the greatest benefits for the country.

We will see to it that the transition period will be sufficiently long to make gradual changes, so that the most vulnerable sectors have the right means of adjustment and medium and small-scale companies have access to the necessary support to join productive chains in an advantageous manner. The negotiation of an agreement, like the one we seek to reach with the United States, will not include a single topic outside the strictly commercial sphere. [shouting heard in the background]

[Congress President Gonzalo Martinez] Allow me, Mr. President. I ask the deputies to have order and show respect for this hall. I kindly ask you, Mr. Deputy. Let us show respect for this hall. Please continue, Mr. President.

[Salinas] The negotiation of an agreement, like the one we seek to reach with the United States, will not include a single topic outside the strictly commercial sphere. That is the difference between a free trade agreement and a common market treaty. We are preserving and keeping intact our autonomy regarding third countries. I want to reaffirm that the nation will maintain ownership and full control over oil and hydrocarbons. [applause] I reaffirm this. The nation will maintain ownership...[interrupted by indistinct shouting in the background]

[Martinez] Deputies, let us be silent in the hall. [more shouting heard in the background] Order in the hall, deputies. You may continue, Mr. President.

[Salinas] The nation will maintain full ownership and control of its hydrocarbons and oil, and the state will continue to fully exercise the authority it is given by Article 28 of the Constitution to exclusively develop strategic areas.

The Canadian prime minister visited us in March. On that occasion we signed agreements in the agriculture, tourism, trade, and investment sectors. The meeting proved to be particularly beneficial. Canada is a potential participant in a free trade agreement. We have been in close contact, and we are preparing the appropriate conditions to achieve progress in that direction.

Relations with countries on our southern border are particularly important. The ties established with Guatemala and Belize have reached the highest political fluency in recent years. We were visited by President Vinicio Cerezo. The work carried out by the binational commission has allowed us to make progress in the solution of financial, commercial, migration, and joint border investment problems. The agreements signed with Belize during Prime Minister Price's visit to fight drug trafficking and to supply electricity to that country are noteworthy.

In that same way, the Caribbean, our third border, deserves Mexico's increased presence. The government has acted accordingly, and we have made progress on specific projects with Prime Minister Manley. Also, Mexico's participation as observer in the Caribbean community was formally approved during my visit to Jamaica.

Mexico supports the efforts exerted to overcome the Central American countries' critical economic and social situation because this is congruent with our principles and it favors our interests. Peace must be supported by the region's development, so we have joined the Central American Economic Integration Bank, we encourage a renewed San Jose Agreement, and—in agreement with Colombia and Venezuela—we are designing formulas for cooperation with the Central American countries. We have also found new mechanisms to negotiate old debts and sponsor trade with Mexico.

During the visits from the presidents-elect of Honduras and Costa Rica, the presidents of El Salvador and Nicaragua, and during my recent visit to Honduras, we discussed a new direct and intensive initiative with this area, which is so vital for our nation. Our proposal is aimed at increasing the region's export offers, the guaranteed supply of fuel, technical aid, and financing for Central American imports and joint investment ventures. We have increased our country's prestige in Central America.

An equally strong solidarity links us with the Latin American region, to which we belong and with which we have historical ties and cultural affinity. Current conditions favor a straightforward attitude, an authentic exchange, a renewed awareness of our overall role. Latin America has the potential for an effective integration through democratic governments and open economies. We must do this in a progressive, clear-headed, and organized way so that we may advance toward much freer trade without putting ourselves in a disadvantageous position vis-a-vis other regions.

We must avoid unattainable proposals that would again cause disillusionment and frustration. The return of democracy to Chile allowed the much hoped-for renewal of ties with a country that is dear and close to our hearts. We have resumed our ties through reciprocal state visits, and we are preparing the groundwork for a free trade agreement with that country.

I went to Ecuador to renew an old friendship, and we formally approved specific agreements in the commercial, fishing, and energy sectors. I also visited the Republics of Bolivia, Argentina, Uruguay, and Brazil. In those meetings, we established practical ways to improve relations between our nations. Twenty-five cooperation agreements were signed.

Mexico participated in the Group of Rio presidents' fourth meeting in Caracas, Venezuela—where new members were admitted and where plans were made to turn the group into a mechanism for political consultation, coordination, and dialogue with the new economic blocs. Within this context, Mexico proposed guidelines to implement commercial agreements within the region.

The 10 points presented to Aladi [Latin American Integration Association] resulted from a consultation with the Senate and have been accepted by the Group of Rio.

As for Colombia, agreements were signed following President Gaviria's visit to exploit the Colombian coal mines. Our country has been admitted as a member of the Andean Development Corporation. We thus proved, with facts and efficient initiatives, Mexico's clear links with Latin America. We will reassert our integration goal, and we will be its most staunch supporters.

Since we belong to the Pacific Basin, Mexico sought to participate in Asia's technology and financial capacity. To this end I visited Japan, Australia, and Singapore. New diplomatic representations were established in Singapore and Thailand. We promoted Mexico's entry in the area's agreement plans, such as the Pacific Economic Cooperation Conference. Mexico became a full-fledged member in September. We have specific results from my visit with Japanese Prime Minister Kaifu. Mexico received financial support to help fight pollution, overhaul railroad locomotives, secure spares for thermoelectric plants, and promote our exports to Japan. We took great steps so that the two cultures, zealous of their long traditions, could come closer. The PRC leader's visit to Mexico allowed us to improve understanding and cooperation through a mechanism of bilateral consultation.

During my European working tour I visited Portugal, the UK, the FRG, Sweden, and Belgium to increase trade and attract investments. There is increasing EC support for Mexico's transformation efforts. We were a founding member of the European Bank for Reconstruction and Development. Therefore, we shall attain a greater presence in and links with the economies of the Central European countries. I clarified our position before the GATT at the Uruguay talks; thus, we have put an end to unilateral interpretations and have dismantled tariff barriers. Development differences have now been recognized—in particular reciprocity to Mexico's opening. The aim of the GATT talks is basically to promote a world-wide open trade system, avoid increased tensions among blocs, and share benefits. Mexico supports and expects positive results from this year's negotiations. So far it has been easier to reconcile points of view between developed and developing countries than resolve the agricultural differences between the United States and the EC. This paradoxical and risky situation must be overcome.

The king of Spain and Italian Prime Minister Andreotti have been among our outstanding visitors to Mexico. Bilateral friendship and cooperation and economic cooperation agreements were signed with Spain and Italy, respectively. Czechoslovak President Havel's visit to Mexico permitted an important rapprochement to Central Europe's process of openness and change. We also increased our presence in Africa by opening embassies in Morocco and Zimbabwe to take advantage of the exchange opportunities with those countries. At the Children's Summit sponsored by Mexico, with more than 70 heads of state attending, Mexico emphasized not only the priority children should receive, but also the promotion of a more acute awareness of the serious abuses suffered by refugees and minors who emigrate with their families. Many of them live in poverty. Only an overall global initiative for development can begin to give true hope to the world and to the children of the 21st century. [applause]

The Mexican people warmly and respectfully welcomed Pope John Paul II. The pilgrim of peace found faith and joy in his path. It was a visit that we will always remember as a source of encouragement, and the Mexican people will always be fond of the pope.

At the UN General Assembly, Mexico expressed a desire to strengthen the diplomacy and importance of international law. On this historic opportunity—the result of the end of the cold war—I said that sovereignty and democracy are essential in our interdependent world. It is only through sovereignty and democracy that self-government will allow us to make commitments and alliances, and open up to the community of nations. This is why the future depends more and not less on respect for states. It depends on an increasingly strict and efficient adherence to international law.

The nation's sovereignty and security have one of its firmest bulwarks in the Armed Forces. Fully identified with the interests of the society it serves, the Mexican Army, Air Force, and Navy have fulfilled their duties, and they have displayed exemplary solidarity with the communities at times when the communities have needed them the most. Such was the case of the people left homeless by Hurricane Diana, during which the Armed Forces executed plans DM-3E and SMAM-90.

The modernization of the Armed Forces' institutions has yielded results that can already be detected during its daily activities. Its ability to respond has increased through changes in the system, the development of its training programs, and the improvement of installations, weapons, and equipment. Most important, however, is the acquisition of modern helicopters, electronic and telecommunications equipment, and updated spare parts and accessories. Military and naval centers have been built or renovated. Today the Armed Forces are better equipped for their high-level functions.

I must acknowledge that the military operations against drug trafficking are important to the nation's security and our institutional life. The Air Force, the Navy, and especially the Army have destroyed plants, confiscated drugs, and closed clandestine landing strips. Phase two of the detection and control system is under way, with the use of new Mexican radar that will detect airplanes carrying drugs that are attempting to enter the country. The Armed Forces contribute their experience and capabilities toward fulfilling their high-level mission, and when circumstances demand it, they offer their lives as well. I can proudly tell Mexico's soldiers and sailors of

the people's recognition and appreciation. Their bravery and loyalty are exemplary. [applause]

Mexico's current atmosphere is one of expanded freedoms. We are adapting our institutions and political practices to conduct our own internal transformations. It is a matter of building a democracy borne of our experience and strengthened by change in our society, which values unity and stability.

Developed nations require lengthy periods of institutional continuity. We advocate change to generalize respect for the law, to encourage broader citizen participation, to modernize implementation of government action, and to encourage civilian competition among the parties within the framework of the law. This is a responsible agreement that they have reached among themselves.

Through obligation and conviction, we have sought the broadest protection for basic human rights and the individual guarantees stated in our Constitution. We have fought crime, and we have eradicated impunity. To protect human rights, we have also paroled over 12,000 prison inmates, strictly adhering to the law. The National Human Rights Commission has been created. With social involvement and firm political resolve, its efforts will broaden defense of the rights of Mexicans. Results have been quick in coming—297 reports of alleged human rights violations have already been investigated.

We aspire to a professional, ethical, and exemplary Federal Judicial Police. Respect for people, even those who perpetrate crimes, must be their goal. This is why we are strengthening our evaluation and incentive systems—especially our control and punishment systems. Over the course of this ordinary session, I will be sending bills to guarantee human rights during investigations and inquiries before and during prosecution. There must not be the slightest doubt that we are firmly committed to protecting human rights. We will act accordingly. [applause]

Mexico is reaffirming its humanitarian principles and ratifying its observance of the traditional policy of granting aid and asylum to refugees. I sent to Congress an initiative that went into effect on 18 July, whereby an addendum is added to Article 42 of the general population law and immigrant refugee status is created. With this step we have modified an age-old Mexican political tradition to conform to the modern international situation. Worthy of special mention is the Paisano program, which was established to guarantee dignified treatment for Mexican migrant workers upon their return.

To date our consulates have issued 350,000 cards to identify and protect Mexicans abroad and when they return to national territory. Mexico must not allow its own citizens to be fearful of returning and distrustful because of abuses by minor officials.

Relations between the branches of government have been respectful and cooperative, which has allowed each branch to increasingly fulfill its duties in an improved manner. Those elements needed by the legislators to exercise their duties have been attended to on time and placed at their disposal. Within a framework of respect we have fulfilled the resolutions of the Supreme Court and other competent courts. We have concurrently ensured that at their disposal is everything necessary for these dedicated individuals to faithfully fulfill their important functions.

We have likewise strengthened interinstitutional coordination between the federal executive branch and the state governments. Our struggle against drug trafficking has not waned.

We have destroyed drug plantations in more than 6,000 hectares. We have arrested more than 18,000 persons accused of acting against the people's health, and we have captured arms, ships, and vehicles used to commit this type of crime.

In 1990 we seized more than 45 tons of heroin and cocaine—the equivalent of 800 million doses. The market value of the drugs seized during my administration is $120 billion.

We cannot renounce our commitment to getting rid of drug trafficking. We firmly uphold our position that in Mexican territory, only the Mexicans will fight this evil. We have safeguarded the legal commitments that protect international procedures on the execution of justice, legal cooperation, and the recovery of assets.

The government will continue to fight drug trafficking, but this is not enough. The participation of society as a whole is necessary for the struggle to succeed.

We are trying to improve the systems of supervision and control of public expenditure; to promote honest and efficient work by the government; to permit the flow of resources; to work; and to finish our work to serve the people. We must acknowledge that unfulfilled promises, the interruption of services, and unfinished work cause much damage. The people's support to keep this from happening is invaluable.

Regarding elections, Congress has approved a thoroughly new juridical framework. The democratic agreement that made possible the reforming of the Constitution and the drafting of a federal code for electoral institutions and procedures represents a mature innovation and a commendable political decision.

For the first time in the country's modern history, legislators from all the political parties approved the new elections' rules. [shouting heard in the background]

[Martinez] Mr. Deputy Pablo Gomez, you must address the president of Congress first. This is not a deliberations session, sir. You are very aware of this. This is a general session of Congress, with the two chambers both in session. Only the president of the republic and the president of Congress are scheduled to speak. It is not

possible to give you the floor. No, sir. You cannot have the floor. I have to say that. You cannot have the floor.

[Unidentified speaker] Oh, shut up!

[Martinez] Please continue.

[Salinas] The political parties' initiative and an intense and sometimes impassioned dialogue is what led to the improved election tools we now have. Many ideas and proposals were made in Congress, in the academic world, and in the media. Days, and even nights, witnessed how spirited the debates were and how reason won out in the end. Of the federal deputies, 85 percent of them voted for the code. Five of the six political forces represented here viewed the new code as better, as a whole, than the previous one. [shouting heard in the background]

[Martinez] Be silent.

[Salinas] The new elections legislation is now law ; therefore, all of us must respect it. It has created new authorities and now no party or group of parties has predominance. Appointments are not arbitrary. They are based on objective procedures and on the meeting of requirements.

The advisers of the electoral body represent various congressional factions. All the political parties have representatives. A new eight-year post, that of legal adviser [consejeros magistrados], has been created to contribute to continuity and impartiality.

The new Federal Electoral Tribunal has full jurisdiction. Its resolutions can be modified only by two-thirds of the Electoral College—that is, as a result of a broad agreement by the various political forces.

The parties now have more prerogatives but also more obligations. There is now a chapter that deals with electoral crimes. Electoral services are being made more professional. A new and trustworthy census is being prepared, and new voting credentials will be issued based on the results of this census. [jeering heard in the background]

[Martinez] Messrs. Legislators: We will discuss this. Next week the two chambers of Congress will begin discussing this report. Then you will be able to express your opinions; however, let us maintain proper order here. During the analysis of this report at the Chamber of Deputies and at the Senate, you will be able to express your opinion. It is there where we as legislators must do so. [applause and jeering] Let us maintain order and safeguard the dignity of this room. [more jeering] Messrs. Legislators: Let us hear the presidential report. That is what we are here for. We will analyze it later at the corresponding sessions. Let us keep silent so we can hear the presidential report. Please continue, Mr. President. [applause lasting three minutes]

[Salinas] I have fulfilled my obligation to send the list with the names of the people proposed for the post of legal adviser of the new electoral body.

The Chamber of Deputies approved the appointments by majority, as the law establishes. The appointments of electoral officials and the members of the Electoral Tribunal were approved by legislators of various tendencies.

We have been working to create the institutions established by the code and put them into operation. The government has allocated significant budget resources to that task. Now it is up to the political organizations, to the new institutions, and to all the federal authorities to strictly comply with the new law and to promote broad participation by the people.

Our goal is to have a crystal-clear electoral process. Election results will depend on the ability of the various political organizations to secure the votes of the Mexican people. [applause]

During the period that this report covers, we held constitutional elections in 11 states. As a result of this, 517 municipal governments were elected and nine state congresses were renewed. These electoral processes made evident the vitality of the party system that exists in the country.

Democracy implies acknowledging that there are different positions and favorable peaceful contests. Violence is an irrational resource that works against the nation's strength. [applause]

The occasional overflow of political passion in the face of electoral contests has been defeated by the political forces' position in favor of dialogue and conciliation. [crowd jeering]

[Martinez] Excuse me, Mr. President. Companero deputies: You will have an opportunity to express your opinions. Please continue, Mr. President.

[Salinas] Almost two years ago we decided to consolidate economic stability and to promote productive activities. The pact has been a fundamental tool in avoiding overwhelming inflation and in reducing inflation.

In 1989, the gross national product [GNP] increased by more than three percent. For the year 1990, in spite of an economic pause during the first part of the year, the GNP will again be, for the second year in a row, larger than the growth of the population.

For 1990 inflation will be at the 20-percent level, considerably lower than the levels of previous years, but not as low as we had planned.

At the beginning of the year, we corrected price tendencies that were detrimental to fiscal planning and endangered the supply of essential goods. We could have ignored those tendencies and avoided the relative inflationary surge that took place at the beginning of the year, but we preferred to tackle the problem at the roots to improve the viability of the economic program. Any other action would have had negative results.

In 1989, we reduced the fiscal deficit by 50 percent. During the first semester of 1990, without taking into account the negotiated reduction of the foreign public debt balance, the deficit was lower than that of last year for the same period. If we take into account the renegotiation, then we find we have a financial surplus.

So, by the end of 1990, we will reach the goal of reducing the fiscal deficit by one percent of the GNP. This will be the lowest deficit in 25 years. Fiscal discipline is the keystone of economic stability.

Our tax policy has sought to distribute the fiscal burden more equitably. It also has lower interest rates, which at the international level are more competitive. We have eliminated privileges and exemptions that some taxpayers used to enjoy by expanding the income tax coverage to tax assets as well as the aggregate value [valor agregado].

We have simplified fiscal procedures and made the movement of merchandise in customs more expeditious.

The results have been encouraging. So far this year, tax revenue—particularly value-added tax—has increased significantly. The additional revenue from oil exports makes these results even more favorable. The safety margin of the national economy has thus been expanded, although our country's program is based and depends on everyone's determined actions, not on fortuitous events. Just as was anticipated, the lower interest rates and the more selective allocation of public expenditures made it possible for us to simultaneously reduce the deficit and increase public expenditures on strategic and priority items. We will continue to restructure subsidies to make them selective and transparent so they can benefit those who need them most. The interest rate cut is an indication of the Mexican economy's favorable outlook. The treasury certificate rate was reduced from more than 47 points in March to less than 27 points to date. At present, bank savings have reached nearly 40 percent of the GNP, the highest in the country's history. This is the result of the depositors' trust and not of the excessive expansion of the Central Bank's credit. The efficiency of channeling loans into productive investment has improved. Mexico, however, requires a more modern financial system. With this purpose, in December I sent to the honorable Congress a proposal to reform the financial system. Another proposal was sent to the Congress in May to reform Articles 28 and 123 of the Constitution.

By doing so, the government will no longer play the role of the largest owner of the commercial banks, without its regulatory functions being adversely affected at a time when we have completely changed the scenario that prompted the nationalization of the banking sector. My initiative was based on the defense of our deep constitutional commitments, namely to strengthen the strategic areas, which are a living part of the people's beliefs, and to improve the administration of justice.

This is why the restoration of the joint banking regime, as the Constitution stipulated more than 65 years ago, serves the nation's interest. It was impossible to accept a government with an excessive interest in banks, and with so much money tied up in them while there were so many needs to attend. Now these resources and those that will not have to be spent to modernize the banks will serve for stability and to meet the people's most pressing requirements. At the same time, the government is increasing surveillance of the new banks and their capacity to channel lending.

Trust and stability in the foreign exchange market increased. This led to a reduction of the difference between the free and controlled exchange rates. The price of the exchange ceiling decreased. The favorable market changes and the renegotiation of the foreign debt made it possible to lower the gradual transfer to the parallel market from a daily average of one peso to 80 centavos. The true exchange rate index, according to producers' prices—the most appropriate for this comparison—varied little throughout the last two years.

Our competitiveness has remained constant. The large depreciation of the U.S. dollar in relation to European and Japanese currencies has increased the profit margins for our exports. I said in my first report that the negotiation of the foreign public debt had already been accomplished. It remained for the more than 500 creditor banks to choose an alternative: write off the debt, write off the interest, or issue new loans.

According to the 4 February agreement on restructuring our foreign debt, 43 percent of the eligible debt and 47 percent of the interest are earmarked to be written off, and new loans will be taken out to cover the remaining 10 percent of the debt. The negotiations complied with the parameters we established. The net transfer of money out of the country was lowered. The economic value of the accrued debt has been reduced by more than $20 billion. This has reduced the amount we owe in relation to what we produce. In terms of economic impact, the amount of the debt decreased from the equivalent of 60 percent of the GNP in late 1988 to around 40 percent in March 1990. The multiannual nature of the renegotiation of the debt eliminates the uncertainty of periodic negotiations.

In general, the balance of payments has been favorable. To the savings made with debt servicing and increased export revenue, aided in the past quarter by the oil price increase and export volume, were added the largest foreign investment, outside loans, and the repatriation of capital. As a result, although $1.374 billion in reserves were used in March to set up guarantees for the debt renegotiation and the receipt of $1.336 billion in loans by financial authorities from foreign countries, called stopgap loans, the country's international reserves reached $8.415 billion yesterday.

All of this occurs in a macroeconomic framework on an increasingly strong basis. The instability of oil prices was observed this year. Despite a good start, prices plunged to worrisome levels in May. Because of the Persian Gulf

crisis, prices have increased substantially. We know that the current prices are the result of the uncertainty in the Gulf and that, consequently, the future of these prices is uncertain. Prices that are too low encourage consumers to waste and discourage producers. Prices that are too high create inflationary pressure and a recessionary trend in the highly industrialized countries. This affects our export capacity. This is why we advocate stability in the oil market and a reasonable price level. Meanwhile, we think that the considerable additional revenue we are receiving is temporary.

As such, we cannot earmark it for permanent expenses. We will basically funnel it for fiscal and financial reinforcement. The surplus will strengthen the Pemex [Mexican Petroleum] investment program for drilling and exploration, since it does the country more good to have the means to take better care of domestic needs than to open new export options. The Federal Electricity Commission has kept its expansion programs, making it possible to increase the generation of electricity by over six percent. The expansion of existing plants means that the number of customers can grow by over six percent.

As for the infrastructure, we are building over 2,000 kilometers of franchised toll freeways, always making sure there are alternate routes. There will be twice as many four-lane highways as there have been for the past 20 years. When the franchise to private businesses ends, the freeways will become state property. Private initiative has made it possible to redistribute financial resources to maintain and build highways and over 3,700 kilometers of inroads and rural roads this year. We encouraged the shipment of cargo containers via the railroad system but will double our efforts to upgrade its efficiency. Modernization of the ports on both coasts was intensified. Private initiative committed huge investments for specialized cargo terminals, cruiser docks, marinas, and tourist ports. Deregulation is in line with the spirit underlying the changes in the country. Eventually, the accumulation of laws, regulations, and guidelines became real barriers to economic development; some guidelines became obsolete and others were clearly contradictory. The restriction of certain routes and other unnecesary regulations were eliminated in land transport, so tariffs dropped an average of 25 percent, or 50 percent in some cases.

Airline restrictions were eliminated, and we updated bilateral agreements and made new agreements. The regulations of the Mexican telephone system were strengthened. We can point to the 11-percent growth in the telephone network, the operations of new cellular mobile telephones, progress in the digital network, and the fiber optics project that will significantly increase communications capabilities. The Morelos I satellite and the Morelos II satellite are used to their full capabilities. That is why a new generation of satellites is on the drawing board.

The customs laws were amended so importers and exporters can perform their operations more expeditiously. The decrees overregulating the industrial and commercial activities of the tortilla, dough, salt, match, and hemp industries were repealed. The idea was to increase supply and eliminate oligopolies. Permits to plant and export vegetables and fruits and permits on the marketing of cacao, sugar, and coffee were suspended. Thanks to those measures, revenues in coffee exports rose by 70 percent; we are now the second largest supplier of the market in the north.

New rules promote specialization and greater production levels in the auto industry. In the computer industry, manufacturers were given facilities to incorporate local products and specialize production; clients now have access to modern technologies. We set up a program to modernize the pharmaceutical industry and implemented measures to gradually eliminate import permits. We promoted the sectorial and geographical diversification of the assembly plant industry and its greater integration into the national economy. It is estimated that this year the number of assembly plants will increase 15 percent and the number of hired workers will increase by 10 percent. To raise competitiveness along border strips and free zones, new rules promote the supply of national products and replace the quota system for a free import system. The mixed commission to promote exports has been effective in the reimbursement [devolucion] of the value-added tax and elimination of restrictions on cattle exports, and in providing information to locate foreign markets. I want to point out that the Federal Government will give special backing to micro- and small-scale businesses, through a revolving fund without paperwork that will give them access to institutional financing.

Promoting foreign investment is based on regulatory adjustments approved last year. The level reached for approved projects and the number of projects registered since the regulation went into force in May of 1989 total the unprecedented figure of $5 billion. Besides fulfilling the positive outlook of the domestic market, foreign companies find that Mexico is the right place from which to export to the United States and Japan. To obtain more foreign exchange, jobs, and regional peace, we can and want to be a greater tourist power. That is why we authorized the swap of public debt for infrastructure investments in seven new tourist projects. By selling its properties, Fonatur [National Tourism Fund] increased by 91 percent the financing for tourism. It is estimated that, to date, the number of foreign patients receiving medial care here rose by over seven percent, whereas national tourism rose by four percent.

My government is determined to promote scientific and technological progress; we want our experts and scientists to remain in our country. We want to modernize the production sector and link it to research institutions.

In real terms, the budget was increased by 20 percent. The total number of members of the national team of investigators was increased by 24 percent. Starting in March, their salaries were increased based on a merit system. Scholarships were given to deserving high school and university students; however, all this is not enough. We must dedicate more resources and have more participation and responsibility from the community. We must advance in science and technology for the good of our country. We must overcome backwardness in the countryside. This is one of our nation's highest priorities.

One of the revolution's basic principles is to provide the peasants with social justice. The farming sector is experiencing a worrisome situation There is a great capital drain, an increasing number of small land hoarders, and much poverty. I believe that our country must find worthwhile solutions for the peasants. We must find ways to incorporate them into society and respect their origins and traditions. Let us face our present realities. Let us speak of the land leasing system, of lots so small that they cannot feed a family, and of unemployment. Let us find ways to overcome these deficiencies with full respect for the constitutional dictates on property. We cannot ask our peasants to accept this situation. The country's self-sufficiency in food and the welfare of producers and their families depend on increased productivity.

We are making headway in solving the problems with land ownership and the peasants' welfare. During this period, 586 presidential decrees were issued, solving half of the problems. The decrees cover 1.25 million hectares that are now incorporated into production. We signed 162 presidential resolutions, granting 175,000 hectares to the requesting groups. We issued 133,000 certificates of farming and cattle guarantees. We are distributing about 250,000 hectares of land confiscated from people who were using them for illegal crops.

Some enterprises like Tabamix, Inecafe, Pronasa, and Azucar [enterprises not further identified] are being restructured, liquidated, or transferred to producing organizations. The participation of the social and private sector in these activities will raise their productivity. The capitalization of the farming sector will release public funds to help those who have less.

We are also reforming the system of credit for the farming sector. The National Solidarity Program, through the word credit procedure [mecanismo de credito a la palabra], will fulfill the needs of those citizens who live in poor neighborhoods or run the risk of losing their production because of accidents. Those with lower wages but productive potential will receive financing from Banrural [National Rural Credit Bank] and Ficard [not further identified]. Those who work in agriculture, cattle raising, and commercial forestry will be supported by FIRA [Guarantee and Development Fund for Agriculture and Aviculture] and the National Credit Societies.

We know that at times it was more profitable to cause accidents and collect the insurance premiums rather than to make the most out of the productive potential of the land. Agro-Asemex [not further identified] begins its operations to correct the deficiencies of the previous insurance enterprise. We have created opportunities so that private insurance companies can offer their services in this field.

Conasupo [National Company for Basic Commodities] supports the marketing of corn and beans, which have remained in the program of subsidized products. The prices of subsidized products in real terms paid to peasants have significantly increased, and the government has established different rates based on the quality of the products. As for other products, producers, industrialists, and businessmen have reached agreements on adjusting their prices to a more open economy.

We eliminated import taxes on agricultural supplies and expanded the participation of the social and private sector in the production and marketing of improved seeds. We have made progress in the rehabilitation of the irrigation districts with larger participation of farmers. This course of action, given its large potential benefits, is a priority for the government.

This year, we will harvest over 25 million tons of 10 basic staples, which represents a 14-percent increase over last year's production volume. This shows the strong recovery ability of the agricultural sector once conditions improve. The results obtained encourage us to double our efforts. We have ensured the supply of beans because of the success of the new program.

I wanted to point out the outstanding response of the peasants and small farmers. We will register the largest harvest of corn in history. We are practically reaching self-sufficiency in corn and bean, basic staples for Mexicans. This is unprecedented in the last 25 years. This effort deserves recognition from all Mexicans. [applause]

We have improved our production of eggs and beef and have activated the recovery of the dairy industry. The import of dairy products will be reduced by 10 percent this year.

We have set in motion a reforestation program to increase our forest areas and to protect our tropical jungles. The fishing industry continues to grow. Our aquaculture will be more dynamic with the modification of the federal law on fishery; this law permits peasants and the private sector to participate in the cultivation of species of much economic value. We can regain a leading position in this sector.

We are channeling credits more expeditiously. The cooperatives sector, proving its maturity and national awareness, has united. In the case of tuna, we have emphasized our ecologic commitment. We will use reason to defend our exports. [applause]

The state is being reformed to socially transform Mexico. This is an arduous task. The times obligate us to make a sustained effort and to persevere. The only way to succeed is for all of us to work—everywhere and always. When the economy is strong and the opportunities grow and differences are reduced, the nation becomes more sovereign. This is achieved not only through the attainment of wealth and a better distribution of wealth—sovereignty also demands common social values and an understanding that belonging to a nation means viewing the nation's general fate as part of one's own fate. This is a moral commitment and a political responsibility that the state cannot ignore.

The country's population doubled in the past 25 years. In March we established that we have a population of more than 81 million. We are the 11th most populated country in the world, according to the results of the general census on housing and population. This census was carried out using the most modern technology to assure maximum coverage and quality. This was, undoubtedly, the most accurate census in the country's history.

It is encouraging to observe that the population growth rate has dropped to 2.1 percent annually, according to recent estimates; however, the growth rate is still high. During my administration alone, more than 10 million Mexicans will be born; this will create additional demands. This is a big challenge. Demographic growth requires effective and permanent solutions.

Today we can say that we are creating the conditions for stable growth. More investments mean more job openings. There are not enough employment opportunities yet, but investments also encourage productivity and better planning. It is within this framework that we have set in motion the national program for training and productivity.

The National Employment Service has become an effective link between management and the unemployed. It is also a resource for Mexicans to use to find training and productive employment.

In the past two years, real wages have increased, although they have not yet reached the level they were at before the crisis. Contract salaries, the most common in Mexico's economy, have been renegotiated based on the various enterprises. The minimum wage rate has been less favorable. Before increasing the minimum wage, we must make sure that inflation will not snap back.

We have established that salaries have been more suitable when inflation has been low than when there have been high nominal salary increases. Inflation control is not only an economic objective; it is also a social obligation.

The Federal Conciliation and Arbitration Board has strengthened its role by training personnel and by having a unified position on the necessary requirements to issue claims and summons. It is worth noting that of the 5,600 summons received by the board from November 1989 to August 1990, only 2.4 percent failed to produce results, and the number of workers affected by summons dropped by 47 percent.

The federal government has responded to the workers' claims as much as possible. It has given special attention to teachers, doctors, and nurses. In recent years the teachers' salaries have deteriorated the most; however, during my administration, the teachers have received an accumulated salary increase of 89 percent.

We will continue talking and working so that the teachers' standard of living improves and so that they in turn may also improve the quality of their important educational task. Just states seek social well-being. Education is a component of well-being and an essential part of a country's modernization.

Using the Constitution as a base, we are working to attune the production sector and the Mexican education. We have to strengthen ties within sectors and between the community and the schools. Education will be an essential element in preparing us to face the world in a strong and confident way.

As a result of the participation of teachers, parents, professional people, intellectuals, and people from other sectors, progress has already been made in the program to modernize education.

The programs of all the states are based on characteristics of our Constitution. The services of the national educational system have been extended throughout the country. The registration of preschool children, especially in the Indian population, has had an outstanding annual increase of eight percent.

The government's cultural policy has been to promote the preservation, encouragement, and proclamation of art and culture in a decentralized fashion and with shared responsibilities.

We have granted economic incentives to well-known artists, young talented people, and musicians. In addition, we have supported 360 popular culture projects that have been devised and carried out by the communities. We are channeling private resources to conserve our cultural heritage.

To increase our cultural exchange programs, we have promoted top-quality festivals in the country and very interesting exhibits abroad, like the one at New York's Metropolitan Museum. We will continue to change the unnecessary and stiff administrative structures of the government's cultural agencies. This is an area of freedom of expression, where no bureaucratic system should stop creativity.

Mexico has rejoiced and prided itself on the high values given to its language, imagination, and sensibility through an exceptional poet. His being awarded the Nobel prize is recognition of his talents; the award helps boost our literature and common pride, for he was born, educated, and became a successful poet here. May the

presentation of the Nobel prize in literature to Octavio Paz become an incentive to us all in our future endeavors [applause].

Better health and social security systems continue to be important for the Mexican state. We have expanded medical services' coverage with the inauguration of hospitals and regional health centers. In addition, we have supported the work done by the health attorneys, traditional midwives, and the mobile brigades, who perform operations on the road.

We have reduced the spread of infectious diseases, and the outbreak of measles was controlled in May. We got the teachers' associations and society as a whole involved in self-care health campaign programs. We are making progress in the prevention of diseases with nationwide vaccination programs and campaigns. This year authorities administered 69 million shots.

The National Sports Commission has expanded its activities to continue providing options for the social and individual development of the population, particularly for youngsters. We have created sports leagues; we have built and repaired sports fields and facilities. We feel that the demand for sports fields and community participation in activities is particularly strong in the interior.

We have to strengthen the policies of decentralization of population, services, and productive activities. The willingness of the government is not enough. We require that social and productive sectors join us in this effort. As a result, we are promoting the creation and strengthening of industrial, commercial, tourist, and agricultural complexes. We are also promoting urban regional systems to alleviate congestion in the zones with the largest population.

We are working to increase the quality of urban life and to promote greater coordination in the dispersed rural centers that still exist. We have increased our water works and sewers projects. New territorial reserves lead to a more orderly urban growth.

We have also launched a special program to establish settlements in government lands. The committments that we assumed in Mexico City are being fulfilled; the program to fight air pollution is in effect already. This program will be supplemented with new measures to preserve water and control solid waste. We resumed the work of building the subway, and we are getting new buses to cover different routes. We are making large investments to introduce sewage and other services in poor neighborhoods.

We have resolved serious land ownership problems. We are working on important social programs aimed at protecting the children. We have made progress in the fields of justice and security and will double our efforts.

The new incentives for public investments and the continuation of services to Mexico City were made possible by the effective contribution of the city's residents in improving the public finances of the Federal District. Mexico City residents have displayed great solidarity with the causes of the city and more respect for the norms than many could ever imagine.

Public behavior respectful of plurality, the responsibility of all social and political forces, and the important role played by the chamber of representatives of the Federal District have helped create an atmosphere of respect for human rights and freedom to fully exercise our rights. It is very encouraging to know that residents of Mexico City are finding answers to the most serious problems of their city. [applause]

Housing construction in our country is still lagging behind. A decent and adequate home is one of the people's most heartfelt needs and constitutes an indispensible support in improving their well-being. Infonavit [Institute of the National Housing Fund for Workers] has made a significant effort, this year granting 15,000 loans and 70,000 homes, which is the highest figure since it was founded. Infovit has redoubled its efforts to benefit workers. Conaplt [National School for Professional Technical Education] and Infovint increased their efforts by supporting the construction of homes with programs to lower the cost of products and having centers for materials and supply markets. We are continuing to streamline the procedures for granting licenses and permits.

Our development is evolving within a growing process of respect for the environment. We are continuing to work on priorities, while simultaneously establishing a new relationship with the natural surroundings. Hence, the stress is placed on fighting pollution in crucial areas, as the northern border strip, the country's main industrial ports, and Mexico City's metropolitan zone, where a program is under way. This year, we concluded the first phase of a program to clean up the Lerma-Chapala Basin, and intense work on the Patzcuaro Lake, as well as on Blanco, Balsas, and Coatzacoalcos Rivers, continues.

In all these endeavors, in addition to relying on our own effort, we have received technical and financial cooperation from Japan, the United States, France, Germany, and other nations. We thank them all for their support. The government has undertaken strong actions to protect natural resources. We are making headway in protecting the vital areas of the Lacandona Jungle, and, at the same time, we are consolidating the patterns of ownership and production of those living there. We are also beginning to fight the trafficking of animal species and beginning to promote our incorporation into the Convention on the International Commerce of Threatened Flora and Fauna Species.

Our country's commitment to the ecology was reinforced when it became the seat of the International Ecology Day on 5 June. We are funneling more resources into the environment and have greater opportunities to meet our compatriots' needs. Our laws contain a mandate to eradicate poverty. Poverty is not a fate. The people are

demanding that the war on poverty be a national priority. All Mexicans have an enormous capacity to produce imagination and inititive, and their tradition of solidarity is alive.

The national commitment exists, and the government has made the decision to cope with inequality and fight it in a determined and strong manner. That is the foundation of the National Solidarity Program. In Mexico, solidarity is a profound reality among families of all communities. It is a trait of the Mexican character. The government of the republic promotes and supports the currents of solidarity in society and institutions that implement it. The government adheres to them to face new and broader tasks.

Solidarity means a different foundation for the country. It represents the opportunity for a new society. A different way of doing things is emerging. Eradicating poverty cannot be confined to a government program because it constitutes a task for the nation. That is why the solidarity program contains the working proposals of the participating groups: Indians, peasants, and low-income settlers. The program encourages and promotes their organized participation. I have gone on over 46 working tours in the states of the republic and visited over 300 communities and low-income neighborhoods.

I have established a permanent dialogue with the neediest. This dialogue has made it possible to incorporate experiences into the guidelines that gave rise to the program. The transition from words to deeds has been based on four general principles that guide all solidarity actions. The first principle is respect for the initatives of communities, because this allows complaints to be turned into projects, which, no matter how modest they may seem, upgrade the well-being of the communities. The second is the full and effective participation and organization of the communities in all sectors of the program. Communities contribute resources and influence the decisions, implementation, and assessment of the projects. Communities establish a veritable social watchdog entity. The interests of the people are recognized; solutions are not imposed from above. Solidarity unites without excluding the participants.

The strengthening of community institutions with liberty and autonomy is not something that is granted but, rather, something that is explicitly sought. The third principle is shared responsibility. The program does not offer anything for free. Those participating are not asking or accepting gifts [Crowd boos. Gonzalo Martinez rings bell to restore order.] Our people have a lot of dignity and only demand support for their legitimate initiatives. [applause]

We never demanded party affiliation or subordination, and people without distinctions have benefited from the program. The fourth is frankness, honesty, and efficiency in handling resources. The program operates with budget resources that fall within the framework of the firm struggle against inflation, the main enemy of the interests of the majority. The program does not unilaterally provide subsidies for an indefinite period, nor does it generate a dependent relationship.

Consensus is a permanent tool that cannot be relinquished. With it, we combat discretionary powers, authoritarianism, and bureaucratization. Strict rules prevent excessively large administrative entities without undermining control. Resources are fully invested without being diverted to other purposes. [crowd boos] That is what the people demand; they do not accept having inflexible institutions that are alien or distant from them built in their name. No one has been forgotten in the program.

Strict compliance with these four principles protects us from populism and its twin evil, paternalism. [crowd boos] The actions of the National Solidarity Program are conceived as an investment in the physical and social infrastructure that, owing to its characteristics, promotes justice and democracy. The administration of justice holds a special place, which is translated into security. For that reason, it has a sensible impact on welfare. All these views are already reflected in verifiable facts. Let some of those achievements serve to portray the scope and meaning of solidarity.

In the health field, the construction of 490 new medical units, four general hospitals, and six rural hospitals began in 1990. We will also conclude the construction of 16 regional hospitals. With that, over 2 million Mexicans from the lowest income groups, who have no protection from any institution, will receive health care. In the field of food and food supplies, we have established over 1,700 new stores, and 348 popular kitchens were put into operation in rural and urban zones.

In the field of urban services, over 1,600 low-income neighborhoods all over the country and over 1,000 systems in rural areas will have drinking water and sewage service. For that reason, 3 million compatriots will no longer suffer the hardship of hauling water that in most cases is not clean. Often, they must haul the water on their shoulders from distant places. In all cases, participants contributed their initiative and labor without bickering to make this possible. Since the start of the program, over 3,500 low-income neighborhoods and rural communities have been supplied with electrical power, thus bringing this service to 5 million Mexicans.

Extra effort by the power company workers made it possible to provide, in less than 12 months, electricity to the areas of Chalco and Chimaluacan. These two areas have a population equal to that of two states of the republic.

Regarding our postal service and telephone system, with the extra effort of the workers, this year we provided telephone service to more than 1,300 rural towns. We have installed 31,000 (Ladatel) type telephone booths and 33,000 conventional phones in urban communities. This will benefit 2.5 million Mexicans. We have also

opened more than 5,000 mail distribution centers in grass-roots communities and more than 2,500 in rural communities.

This year the Commission for the Regulation of Land Tenure and the state governments issued 450,000 property deeds in grass-roots neighborhoods. If we add this to the number issued last year, we will find that it covers 45 percent of the available surface area that existed at the beginning of the administration. We have also invested in urban works, like paving streets, and building street benches, squares, and recreational areas in response to demands for better and more human cities.

Regulating urban land tenure is a social commitment of the government. By doing this we wish to recognize the legitimate rights that cannot be postponed of the urban world that our development created, and we wish to create a foundation of basic justice, security, and stability for that new Mexico that is already a part of us. The millions of our fellow countrymen who live in our grass-roots communities are the real heirs of those who, for the right to land, fought the Mexican revolution. We respond to them today in the same way that agrarian reform responded to their peasant grandparents. As a sign of our solidarity and political commitment, we have regulated, within the framework of the law, the urban land that they have been living on for many years, that same land they dreamed of and work. For the Mexico of the future, we wish long-term social stability equal to that which the agrarian distribution represented when it was implemented.

Regarding the education system, within the plan, in less than a year, we have repaired and improved 16,860 schools. This has been done with the help of teachers, parents, engineers, and architects who joined efforts to carry out this urgent national task. The town councils oversaw administration of the program, and the work itself was left strictly in the hands of the solidarity committees in each of these schools. In addition, we built 12,000 new classrooms in response to new or overlooked demands.

Helping the children has its special chapter in the plan. We are helping the children of low-income families to ensure that these children can complete their primary education. We have done this by granting scholarships and other aid to 250,000 children. We have also opened 450 new milk centers, thus increasing the number of milk centers available at the beginning of this administration by 50 percent. We provide approximately one million children with subsidized milk. The DIF [National System for the Overall Development of the Family] has also reinforced its activity. It has provided overall help to more than 1.2 million persons. Likewise, I wish to make special mention of the work—often unrecognized—that thousands of women, true welfare volunteers, are doing. [applause]

With the help of the producers, the plan also provides aid to the peasants. These peasants face serious living and working situations. Likewise, through the Women in Solidarity program, the DIF promotes 3,000 plans that benefit peasants, workers, and housewives. Approximately 115,000 youths who have graduated from superior schools have joined the solidarity tasks. This was done with the support of scholarships. These scholarships allow youths to fulfill their social service in the real sense of the word.

A special chapter addresses the attention given our indigenous communities. In 1990, a fund was created to support their productive activity and another to promote and protect their cultural heritage. The two funds are administered by them through elected representatives without the intervention of outside authorities. Fifty ethnic groups in the country benefit from this plan. This is a way to express respect, share responsibilities, and prove that we have trust in one another and in our future. More than 400,000 peasants, who in 1,350 municipalities throughout the country cultivate low-yielding land and work in dangerous areas, have received help from the production fund. These funds are handled by town councils and are directly and individually given to the producers. Their decisions are respected, and production plans or technical packages are not imposed. Quite the contrary, we encourage new activities that are enhanced by the experience of the Mexican peasants. When this money is paid back, it is used for productive work or for work that will benefit the group. Such work is decided on by the communities themselves.

This fund will allow us to break the vicious circle that tied agriculture loans to catastrophes and payable debts—a vicious circle that caused corruption, concealment, and paternalism. With this action, the government will clearly reassume its support of high-risk areas and areas of extreme poverty. We do this because we trust the promises of rural producers.

The program has provided funds to 1,426 municipalities in three states to directly support the municipal authorities and to strengthen their capability to meet the people's most urgent needs. These resources are entirely used in investments approved by the community and involve its direct participation. The projects, mostly on a small scale, solve great needs in our daily lives and deal with the closest aspects of our daily activities. The solidarity program is implemented throughout the year, but we sought to encourage the participation of various groups by celebrating the first national week of solidarity. During that week we effectively implemented the pledge that we would keep our word. It was a drive that mobilized large groups and sectors of our society, thus proving that solidarity is part of the Mexican life-style and not just a government program.

In addition, it was an important opportunity to evaluate the progress achieved and the challenges we have yet to face. In sum, more than 50,000 activities took place throughout the week with the participation of 10 million Mexicans. Solidarity will continue to work more for those who have less. It will be done with a pluralistic

spirit and inclination. The program is available to everyone, disregarding party or ideology. Facts prove it and I reassert it today. [applause]

I respect criticism of the program, and I analyze it carefully. Nevertheless, I ask—before rejecting it—that you visit at least one of the low-income neighborhoods or rural Indian communities where the program is being implemented. Meet with the participants, listen to them, let a group of women proudly tell you how they participated in the electrification work by carrying a pole uphill to where a house was built, or let the men describe how they organized themselves to dig a trench for potable water pipes. Listen to a teacher when she tells you how the people organized to turn her school into a dignified place, or listen to a young settler while he clearly tells you that the program belongs to him—not to the government. [applause]

See the light that shines in a the eyes of a child who no longer needs a candle [jeering and shouting heard in the background] to see the book he is studying, or see a farmer proudly show you how he fulfilled his pledge by paying back a loan. Visit the modest house where the solidarity committee holds its sessions, where it supervises the use of resources, and where it approves the projects that will be implemented. Share the simple but emotional celebration of a street that the people have paved, or the tranquility of a family has when holding the title to land it dreamed about for many anguish-filled years.

Participate in the activities to elect community representatives from the militant nucleus. Share the new culture of respect and self-esteem, and the dignity and pride of participating in changes, rather than being mere spectators. These aspects of our daily life, which are familiar to most Mexicans, were mere hopes for many others, yet they are becoming a reality today. There is much to learn from the Mexican people. We must share their lives and get to know them.

It is amazing and you will be amazed to learn that Mexicans assign a great deal of importance to small actions that are actually big achievements and are capable of converting a local action into a community epic. I am proud to serve as the President of the Mexican people. [applause]

Honorable Congress of the Union and countrymen:

Mexico has made important advances. Our economy is recuperating and maintains its stability. Despite all the pressure to which it has been subjected, our political system has maintained domestic order and has improved significantly. Today, Mexico is more respected and has greater prestige in the international community. The country's delicate social problems are starting to be resolved, thus avoiding further restlessness. We have taken the necessary corrective measures to protect human rights. Drug trafficking has not managed to place our institutions in jeopardy.

This aforementioned reflection should serve to confirm that the Mexican people are capable of advancing, that Mexico can resolve its own problems, and that it is an honorable nation in the international community.

The domestic situation is currently very different from that of a couple of years ago. Political competition now has a new legislative framework that has resulted from an inter-party agreement. Dialogue dominates our public life. We have new conditions, arrangements, and democratic measures.

We have not mentioned the serious problems created by the crisis, such as the foreign debt. We have concentrated on matters related to growth and especially to justice. Our solidarity program is reaching rural and Indian communities and people's colonies. The solidarity program has created hope, participation, and spirit. We have increased measures to promote structural change.

The state reasserts its decision to implement reform. The privatization of the banking sector allows us to carry out our justice responsibilities more effectively. We can now concentrate the government's resources and attention on fundamental matters. This action has also opened opportunities for a social initiative.

We have started talks with the United States and Chile on a free trade agreement that will ensure reciprocity, provide a market for our products, and promote the creation of jobs in our country. We have diversified our relations with foreign countries and have emphasized achieving stronger ties with Latin America. We have also strengthened our ties with all social groups in Mexico.

Mexico is modernizing. These are necessary changes. These are welcome changes. The image we project to the world is that of a country that is striving to modernize its structures. It is the image of a civilization with roots that extend for a millenia and that is forging a proud identity which started with the birth of our nationality in the early 19th century and was reaffirmed by the Mexican revolution. We have a consistent system for our political and social life. Revolution and identity are permanent movements that affirm our capacity for change.

To understand our accomplishments we must raise our sights beyond our personal or group circumstances and see the nation as a whole. It is healthier and has more confidence than in the immediate past. There is an awareness that a great deal remains to be done. We want to fulfill the wishes of as many Mexicans as possible. There is no triumph in Mexico, but we do not feel anguish either. We have a firm basis for reasonable optimism in our future. In Europe, the Pacific, and on our American continent I have heard that Mexico evokes thoughts, not only of the magnificent cultures that preceded us, but of our elaborate history and our country's consistent international position.

They now also see Mexico as an example of viable and promising change. There is a dynamic process of modernization that should be observed. Mexico is a serious

country that can discuss future regional and worldwide matters. The reason for this is that we have been doing what we set out to do. We went from words to deeds, and kept our promises. This is Mexico's new open and sure-footed attitude working internally and seeking opportunities in the new world order. Within the next few months, the international arena will still have uncertain elements for everyone. There is still instability in the oil markets. At the same time there is an outlook of decreased dynamism of U.S. economy. We will safeguard the extra income from the increase in oil prices to protect ourselves from future fluctuations. We will respect our commitments to all economic blocs so that international trade will continue to benefit us. One of our priorities will be to consolidate these goals. Respect for the law and human rights are vital to building a better democracy and assuring being able to speak and act within a legal framework. It is in the hands of each of the political parties and the authorities to see that the elections mean a real advancement for the country. In this process, like in all other sectors, I will keep on ruling for the good of all Mexicans. [applause]

Through different levels and channels, I will continue to seek an increasingly mature dialogue with all political currents. The process has already served to prevent weakening the common effort. I will maintain this as a formula to reduce confrontations and create understanding, to consolidate a climate of respect and political ethics. We must all have a clear idea of our course. There is nothing more dangerous than confusion. [applause]

We must redouble discipline and strengthen agreements that have allowed us to curb inflation. That is why we will maintain strict control over public finances and expenses. To have lower inflation next year, we must control prices to contribute to permanent stability. We will redouble strict fulfillment of the pact by all sectors. People are demanding that the pact remain, but that it function better. [loud unintelligible voices heard in background]

We cannot exaggerate the importance of reducing the excessive increase in prices. It is necessary to increase Mexican welfare and to maintain economic recovery. We will concentrate on having a lower inflation rate in 1991. We will demand a special effort for productivity from public enterprises, particularly the larger ones, because of their impact on the efficiency of the country's economy. We will continue to deregulate areas where more competition will mean lower costs. We will exert all of our efforts on stimulating exports and preventing the disloyal competition of imports with national production.

We must complete many of the tasks started to provide drinking water, roads, electricity, education, housing, supplies, and schools to communities. We must start many others soon, particularly health centers, which should function better. They should always be stocked with the proper medicine and instruments. They should offer good service. Our poor countrymen are asking for more, better, and sooner. We will work especially for children, toward their reality and future, which is also ours. We are going to see to it that public expenses will be used more for social welfare, and that the National Solidarity Program will have more resources to reply to the Mexicans' needs. Our commitment is with the people's welfare. That is how we will determine our future, through our capacity to face poverty, and to curb tendencies of excessive concentration of wealth. We will make great efforts to ensure the strictest respect for human rights.

Our most sensitive and import task lies in the adminstration of justice. With the instruments of law we will attack impunity and insecurity. We must correct deficiencies in the adminstration of justice. Mexicans have expressed in many ways their unyielding will to live in a society that respects rights and is a hard working, determined, and responsible society that offers more opportunities. We are going to fulfill their wishes.

Mexicans, our country does not have the profile of a worn-out country. Mexico is a young nation in motion. It is also a country with historical traditions. It was formed by civilizations that are centuries old; therefore, our tradition is solid. We have a 200-year-old nation with a population of mostly chidren and teenagers, but we also have the memory of many legacies. We must take advantage of the changes using the wisdom of our forefathers. This means being able to determine what the nation needs as the 21st century approaches.

Creating a free country with moderate differences in which the law rules has been a painful struggle for us. Mexico's destiny is as great as its history. We are living in different times, but with the same pride. The well-being of the people cannot be obtained outside of our country's strength. The country's best defense today depends on the shared unity and educational strengthening of each and every one of our regions, and all the states. Actions for the immediate future, which I have mentioned, are mere examples of what we have to do. There is no time to lose, nor effort to be overlooked. This is the situation in which work results in better benefits for everyone. The nation survives through our efforts and enthusiam. Mexican nationalism has new paths today. Sovereignty is no longer rigid, and it must be a conscious decision. The essence of sovereignty is social justice, and this requires economic dynamism. Economic dynamism cannot be achieved by itself, and because of the interdependence of the world's trade relations, we must connect with the great economic centers. Without this connection the risk of disintegration is greater. We are undoubtedly subject to influences and attitudes; however, we will have the proven strength of our culture and identity to see us through.

Only by going out to the world can we accelerate justice internally and strengthen Mexico. Only by strengthening solidarity among ourselves can we have the energy to demand respect of our sovereignty. Sovereignty and justice are not simple elements. They respond to a national plan and project. The changing times will be

favorable to us only if we remain on course, on our course. We are familiar with our course, and now it should be known abroad.

There exists and has always existed in this land a people of tremendous resistance and of great and proven capabilities. The Mexicans are people of character and much vitality; therefore, there is no challenge that they cannot overcome and no circumstance that will defeat them. Our nation is real, and this is the historic and current base of sovereignty. We have confidence in our destiny and have faith that we will be able to overcome our problems, regardless of how big or profound they may be. We have left fear and tiredness behind.

We must maintain our efforts, work harder, and continue to work with determination, without ever renouncing our identity while proudly maintaining ourselves as a country independent in its decisions, sovereign in its laws, with internal order, and with its own institutions to do justice. There is a legitimate faith in Mexicans based historically on the nation's reality. Let us have faith and hope in what we are. Let us wage a battle for justice, which is the profound reason of our history. This will make our presence more effective worldwide and will be beneficial for all Mexicans. Let us promote our democracy and produce more and better. Let us express our liberty by what we do so that liberty will have a stronger foothold.

As president of Mexico, my only loyalty is to Mexico, and nothing will divert my attention from the objective of strengthening the nation and making it more just. I will govern for all and will continue to work more for those who have less. I have a steadfast commitment and will that are backed up by millions of voices throughout the country and the recognition that is given today to all Mexicans. This is Mexico's modernization to build its future.

El Salvador

Santamaria: Government, Rebels Meeting Secretly

PA1311231590 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 13 Nov 90

[Text] Salvadoran Justice Minister Oscar Santamaria, head of the government's delegation to the peace talks with the Farabundo Marti National Liberation Front [FMLN], has reported that the government and the guerrillas have held secret meetings since the past round of negotiations in Mexico in October.

The minister, who is in Guatemala where he acted as one of the observers of the general elections on 11 November, has said that the purpose of the secret contacts is to prepare a public meeting that could take place at the end of November, either in Mexico or in Venezuela.

Santamaria said that these secret meetings, about which he would provide no information, are the result of a new negotiating method established in Mexico in agreement with UN representative Alvaro de Soto from Peru, who is acting as mediator.

Minister Santamaria denied having met with Salvadoran guerrilla commander Francisco Mena Sandoval, who was also in Guatemala for a few hours.

Santamaria views as positive the fact that the FMLN has not carried out the military offensive that had been announced for this month. He attributed this decision to the new negotiating method and to the U.S. pressure on the rebels.

Speaking on another topic, the minister said the government is very interested in meting out exemplary punishment to the people involved in the assassination of six Jesuits on 16 November 1989... [five-second break in reception] archbishop of San Salvador, who was murdered in 1980 by extreme-right groups.

The judge may send more people to the defendant's seat at court because the government will shield no one, Santamaria noted.

Until now, charges have been filed against nine military members, including Colonel Guillermo Benavides, who was director of the military school of El Salvador when the crime was committed.

Guatemala

UCN's Carpio on First Round Election Results

PA1411004390 Guatemala City EL GRAFICO in Spanish 13 Nov 90 p 5

[Excerpts] Guatemala City, 13 Nov—I want to tell you that we interpret this historic moment in Guatemala, the 11 November elections, as a rejection of the past, Jorge Carpio, virtual winner of the first round of the elections, said in a news conference at the Dorado Hotel in Guatemala City.

We view it as a rejection of the past and as a vision of the future, the candidate said, adding: We view it as a rejection of the past in the sense that we have wanted to demolish an old building, and we now want to build a new building that will be built with the best team, with the best elements, and with good foundations.

Guatemala does not want the past. Guatemala wants to move toward the future. We are the future. We do not want to look to the past.

Guatemala won in these elections. It won because Guatemala, the Guatemalans, who embody Guatemala, want a country we can build together, a country in which we will have full participation, so that we can feel that the future and our destiny are ours.

We are going to protect and guard that future and destiny.

That is why, Jorge Carpio added, the Union of National Center [UCN] proposed to the Guatemalan people a government program that was discussed with the people in the People's Forums.

Our most basic objective is to have the people participate so that conditions will not be imposed on them. In this way, they will participate in building the future.

The polls had put us in first place. Many people asked themselves what happened to the polls. Did they fail? We knew they had not failed.

We knew they had not because since yesterday when we received reports at our party's computation center, the polls indicated that our predictions were going to be valid.

We knew the capital was going to be hard to win. That is what all the polls said. But the public opinion polls clearly predicted that in the interior of the country, all the departments were going to vote for the UCN and that is what happened.

That is why the polls did not fail, we did not fail, Guatemala did not fail. [passage omitted]

Rene de Leon Schlotter [candidate of the Democratic Socialist Party] came to recognize our victory, Jorge Carpio added.

But, I tell you this very humbly, I tell you that a clean election campaign was waged in Guatemala. Respect for the votes was maintained. We feel proud not only of our institutions embodied by the members of the Supreme Electoral Tribunal but also of the electoral structure, which functioned perfectly, as all you were able to clearly see.

I say this honestly and without any arrogance. I want to congratulate Serrano [candidate of the Solidarity Action Movement] for his great effort and struggle, particularly

for the confidence he had and for his incredible "upsurge" in just a few months.

I want to tell Serrano that we are willing to wage a clean campaign, leaving behind the past we have overcome; a clean campaign in which government programs, ideology, and the destiny that we want for all Guatemalans will be discussed.

We want a high-minded campaign which will make the world see the Guatemalans as people who want to build a new society, a new country.

The UCN has proposed this in its ideology and program.

We want to decentralize the country, give participation to all Guatemalans, we want to modernize our country so that there will be more opportunities for everyone, and we want to move with optimism toward the future and destiny that we will all build together. [passage omitted]

On this occasion, I not only want to speak on behalf of myself but also on behalf of my fellow UCN members who have worked together with me, always with effort, dedication, and courage, to achieve what we have just attained.

I also want to thank my running mate, Dr. Ayau, because together we are going to have the great task of national development.

I also want to say a few words about all those candidates who struggled hard and the smaller parties which participated in the election and which give color and life to Guatemalan pluralism. I want to tell them that they must not feel bad, just the opposite; they have done a great job and great work in favor of democracy as a political system in Guatemala. [passage omitted]

Honduras

Military Proposes Sending Contingent to Gulf

PA0911184690 San Pedro Sula LA PRENSA in Spanish 7 Nov 90 p 2

[Text] Tegucigalpa—The Honduran Armed Forces have prepared the military contingent that will be sent to the Persian Gulf to join the multinational troops, Colonel Jose de Jesus Banegas, chairman of the Joint Chiefs of Staff, has said.

The officer said that the military corps submitted a report to President Callejas outlining the preparations for the troops, but the president will decide if the request is sent to the National Congress.

Col. Banegas said that soldiers from military units located in warm climate areas like San Pedro Sula and Choluteca are being trained in "desert warfare" before their transfer to the Middle East.

The military officer did not reveal how many soldiers would be sent or who their commanding officer would be.

Banegas made the statement after a meeting with President Callejas. Armed Forces Commander General Arnulfo Cantarero Lopez also attended the meeting, but he refused to talk.

The government has been criticized by several groups that oppose risking the lives of soldiers in a zone that does not represent any great interest to Honduras.

However, the chairman of the Joint Chiefs of Staff said that it would be "an act of goodwill" if the Honduran Government sends a group of military units to the desert, adding that the soldiers would be paid by the United Nations.

"The benefit for Honduras is that the soldiers would be paid and the money would be returned to the government," the high-ranking officer explained.

Banegas said that the Honduran soldiers are prepared for chemical warfare because "it only involves putting on a gas mask."

Military Concludes Agreement With Nicaragua

PA0911212190 Panama City ACAN in Spanish 1843 GMT 9 Nov 90

[Text] Tegucigalpa, 9 Nov (ACAN-EFE)—The Honduran and Nicaraguan Armies, which have experienced many incidents over the past few years, will conduct joint operations to fight arms trafficking, the transshipment of contraband, and other criminal activity along the border, it was officially reported here today.

Military officers and customs officials from both countries met on 7 November at the Guasaule customs station to coordinate these operations, Honduran Colonel Filander Armijo has announced. He noted that "beneficial" agreements had been reached.

Nicaraguan Army Colonel Carlos Brenes said that the two countries also exchanged information on troop deployments to avert incidents.

Brenes added that the agreement is intended to normalize trade between Honduras and Nicaragua, which was affected by the war between the contras and the Sandinist Government and by serious tensions over the past few years between the two countries, which were on the verge of war.

Since the war, there have been cases of arms trafficking, cross- border attacks, and the movement of contraband basic grains along the border from Honduras into Nicaragua, and the rustling of cattle from Nicaragua into Honduras.

Colonel Brenes also charged that Dominican, Chinese, and Japanese citizens have entered Nicaragua illegally through various border points with Honduras.

For their part, the Honduran authorities have accused Nicaraguan citizens, some of them former contras, of

participating in attacks and other criminal activity in the southern and eastern parts of Honduras.

Nicaragua

Chontales Protestors Present Demands to Government

PA0911193190 Managua Radio Sandino in Spanish 0000 GMT 8 Nov 90

[Text] Humberto Castilla and Nardo Sequeira, UNO [National Opposition Union] deputies in Region 5, today disclosed their direct participation in the recent incidents there. Castilla and Sequeira said at the National Assembly that they have been supporting the demobilized contras and UNO mayors who have blocked the Juigalpa-El Rama Road.

Deputy Castilla said at the plenary session of the National Assembly that the operation they have been conducting for five days in Chontales and Zelaya Central is called "Let Us Save Democracy." Castilla also listed the demands of the movement, which includes, among other things, that the Presidency change all government authorities—Army, police, and governor's office—in Region 5.

The contras, UNO mayors, and deputies have gone as far as demanding the removal of the president and government ministers, as well as the commander in chief of the Sandinist People's Army [EPS]. Sergio Ramirez Mercado, head of the Sandinist congressional bloc, described this plan as a coup d'etat.

Here is Deputy Humberto Castilla reading the demands made by the contras and UNO deputies in Region Five.

[Begin Castilla recording] In view of the crisis created by the government's noncompliance with the promises it made to the Nicaraguan people, particularly to the demobilized members of the Nicaraguan Resistance [RN], we demand:

1. Dismissal of Presidency Minister Engineer Antonio Lacayo, Government Minister Engineer Carlos Hurtado, and EPS Commander in Chief General Humberto Ortega, as well as Police Chief Fernando Caldera and EPS Chief Roberto Calderon;

2. Immediate withdrawal of the EPS and Sandinist Police from the Region 5. Creation of a rural police force and appointment of departmental and municipal government delegates;

3. Proceed to conduct an effective disarming of civilians with the verification of ONUCA [UN Observer Group in Central America] and the UNO Political Council;

4. Create within a period of 15 days from this date a real agrarian commission. Regional commissions must include members of the various RN fronts and civilian authorities of the new government who will review land ownership since 1979;

5. Immediate promulgation of a decree-law to guarantee attention to the war wounded and to widows, parents, and orphans of RN combatants;

6. Assignment of the Juigalpa Penitentiary System for a social welfare program for RN disabled;

7. Immediate reinstatement to the mayors' offices of municipal and regional properties usurped by the Sandinists;

8. Expansion of the Supreme Court of Justice with the appointment of at least two more justices approved by the UNO Political Council and the Bar Association headed by Dr. Roger Guevara Mena;

9. In view of the expectations created by reports in the media regarding the removal from their ministerial positions of Transportation and Communications Minister Engineer Jaime Icabalseta, former Central Bank President Francisco Mayorga, Deputy Education Minister Hortencia Rivas, and Education Minister Engineer Sofonias Cisneros, we demand that the president maintain them in their posts, as they defend the people's interests. We ask the same for Labor Minister Francisco Rosales.

10. Immediate abrogation of Decrees 85 and 86, as there were no legal grounds for their approval, which flagrantly violates the property rights of all citizens and government institutions; and

11. We demand respect for the physical integrity and properties of individuals participating in civic protest activities.

Specifications on the demands: We add the following to point 11, in which we demand respect for physical integrity. We hold national and regional military authorities responsible for this. [end recording]

Roadblocks in Boaco, Chontales, El Rama Removed

PA1311162490 Managua Domestic Service in Spanish 1330 GMT 13 Nov 90

[Text] With satisfaction, we report to our listeners that the roadblocks which obstructed the highways in the zones of Boaco, Chontales, and El Rama have been lifted since 0700. An agreement has apparently been reached on the issue between the mayors, the resistance, and the government, a result of the demands made by President Violeta de Chamorro to continue the dialogue suspended during the weekend at the president's house.

It has also been reported that a delegation from Bluefields is coming to Managua. The delegation includes the mayor and other authorities, and they have been able to cross through El Rama without problem. The decision to lift the roadblocks normalizes the situation and allows the necessary dialogue to be held to arrive at a solution, promised by President Chamorro and included in the resistance members' just demands.

Chamorro Asks Cardinal's Help in El Rama

PA1411020390 Managua Radio Corporacion in Spanish 2328 GMT 13 Nov 90

[Text] President Violeta Barrios de Chamorro has visited Cardinal Miguel Obando y Bravo and asked him to help solve the problem of the blocked highway to El Rama. The spiritual leader of Nicaragua's Catholic population accepted the president's request, and this afternoon was trying to meet with the mayors of Region Five who arrived in Managua earlier this afternoon. Likewise, it is believed that Cardinal Miguel Obando y Bravo will meet with the civic organizations of Chontales and Boaco, to seek a just solution to the people's demands.

It has also been learned that it is impossible to force Antonio Lacayo, Carlos Hurtado Cabrera, and General Humberto Ortega Saavedra to resign. It was clarified, however, that the people are publicly rejecting the government's unpopular determination to leave Gen. Humberto Ortega Saavedra in as chief of the Armed Forces. The people have charged that the current policemen, who used to be members of the hateful General Directorate of State Security, have set up a repressive system. The people claim that each military chief in each region is a small king who watches over everyone, including the Government Ministry delegates.

Commission Appointed To Meet Region Five Mayors

PA1311203090 Managua Domestic Service in Spanish 1824 GMT 13 Nov 90

[Text] President Violeta Barrios de Chamarro has appointed a special commission to meet with the group of Region 5 mayors to discuss their demands. Comprising the commission are: Dr. Santiago Rivas Leclaire, director of ENIFOM [expansion unknown]; Construction and Transportation Minister Jaime Icabalceta; Education Minister Sofonias Cisneros; and Deputy Education Minister Hortencia Rivas. Presidency Information and Press Director Danilo Lacayo provides further information:

[Begin recording] [Lacayo] We want to report the following: The government has appointed a commission headed by Santiago Rivas Leclaire, Jaime Icabalceta, Sofonias Cisneros, and Hortencia Rivas. The purpose of the commission is to meet with Region Five mayors to seek a solution to the problems of the region and a return to normalcy. It will also be tasked with drafting a working agenda for the full Cabinet meeting to be held, or which could be held, with the mayors, local authorities, and the central governemnt to solve the area's problems.

And so, we would like to report to the people that the government is adhering to its stance of dialogue and discussions. Now, it will continue looking for ways to find solutions through a special commission that will meet with Region 5 mayors.

[Reporter] Does this mean the commission and the the group of Region Five mayors will be meeting soon?

[Lacayo] Santiago Rivas has been in contact with the mayors. I mean to say the government has always been seeking a dialogue. The government wants to talk to the mayors. At no time has the government sought to suspend the talks. It has always sought ways to hold talks with the brothers in Region 5 and find a solution to the problems on the highway and the problems that affect this region.

[Reporter] Has the commission named by Violeta Barrios de Chamorro received a formal proposal by the mayors' group?

[Lacayo] Not so far. The commission will wait and seek ways to begin the talks with the mayors as soon as possible, always with a spirit of reconciliation and understanding. This is the framework and style of this government. [end recording]

Lacayo, Hurtado View Roadblock, Land Issue

PA1411015890 Managua Domestic Service in Spanish 1348 GMT 13 Nov 90

[News conference by Presidency Minister Antonio Lacayo and Government Minister Carlos Hurtado with local and foreign reporters at the International Press Club in Managua, moderated by Presidency Information and Press Director Danilo Lacayo—live]

[Excerpts] [Danilo Lacayo] We will now start the news conference, and as usual, we ask you to identify yourself and the media you represent.

[Antonio Lacayo] Good morning, friends of the local and international media. I am accompanied by Government Minister Carlos Hurtado and Deputy Government Minister Jose Pallais to report about recent incidents that have transpired in Region 5, and in general, in other areas of the country.

We are concerned about the extremist sectors' manipulation of the impatience of the people, who are adversely affected by the country's situation. We are also worried about the actions resulting from this that are in open violation of our constitution and the legal state that we aim to establish in Nicaragua.

We believe that some elements—who are linked to the defunct Nicaraguan Resistance, especially those who belonged to the Southern Front of Arde [Democratic Revolutionary Alliance], along with certain Region Five mayors who were closely linked to these elements during counterrevolutionary times and are even now guided by an anti-Sandinist feeling that clashes with the reconciliation project that this government is trying to promote in the country—have been in the past few days in one way or another manipulating a citizenry which is definitely annoyed and displeased by the conditions that we are all aware of and that we have commented on before. We are talking about economic conditions, conditions that are

characteristic of a country which is suffering the effects of a war that has just been overcome.

This is why our president at the United Nations urged the international community to recognize our special conditions, because Nicaragua is a country that has just overcome war and needs special help to resolve the problems that are brought about by all war conflicts.

We all know that Nicaragua is not a bed of roses. It is facing a difficult situation, a difficult economic situation. The demobilized are struggling to join civilian life. They are exerting pressure to obtain land and to have their problems solved. This obliges all Nicaraguans to act with great caution and attention to ensure that we will move forward to build a new Nicaragua instead of destroying the little we already have.

As our president correctly said yesterday, however, there are extremist sectors, politicking sectors, who, moved by strange and dark objectives, are manipulating the legitimate feelings of the Nicaraguan people.

We wanted to briefly inform you about the efforts that the government has made in the past few days to find a negotiated solution to this conflict, because the government's policy is to find solutions through dialogue. On 7 November the government minister headed the first government mission to Region 5, accompanied by the INRA [National Institute for Agrarian Reform] director, the Army's chief of staff, and Cornap [People's National Corporation] delegates to assess the situation there. They spent the entire day there and returned to Managua the next morning.

They met with mayors from Region 5 and conveyed an invitation from the president to travel to Managua for a meeting scheduled on 8 November. The mayors failed to come to Managua on 8 November, and the government sent Rafael Martinez, director of the National Cattle-Raising Commission and a prominent Region Five producer, to travel to Muelle de los Bueyes to meet with these mayors. That trip also proved to be fruitless.

On Friday, another delegation headed by Deputy Government Minister Jose Pallais and the president of Inifom, Nicaraguan Institute for Municipal Development, went to Muelle de los Bueyes to try to talk with the mayors and to convince them to accept President Chamorro's invitation to discuss their problems. The mission resulted in the mayors' coming to Managua on Saturday, 10 November, and finally at 1500 they held a meeting with the president at her home. You heard about the results of this meeting through the communiques released by the Press and Information Directorate. As Chamorro said in her communique yesterday, after a 10-hour meeting, after trying to determine their real problems, and after asking them to unblock the road to El Rama because this is a violation of our country's laws since it prevents Nicaraguan citizens from using the road, no practical result was obtained because the mayors said they could not be responsible for opening up the road because they really did not have authority over the people who were blocking it.

This has been a double cause of concern for us because we see that they have lost control of their movement. Early Sunday morning, the president called for the lifting of the roadblocks on the road to El Rama. Unfortunately, however, this call went unheeded by those who are leading these actions, which is also a cause of concern for the government.

At the end of the meeting, the mayors gave the president a highly political document, which does not mention the legitimate claims the former contras said they defended. The land problems were not even mentioned. In the document, they speak about a new dictator coming to power, and they call for the dismissal of important government officials. They want the withdrawal of the police and the Army from the region. They want the creation of a true agrarian reform, which openly violates Decree 54-90 creating the commissions that have been operating in all regions of the country for the last several weeks. They want a larger Supreme Court, and they even indicate who the new members should be. They especially mentioned Dr. Guevara Mena. They also want Vice President Virgilio Godoy to assume his duties, as if the Constitution gave him duties that he does not yet have, which is certainly not the case.

We feel there was no military victory over the previous government in Nicaragua. The counterrevolution did not achieve victory. We had an election process in Nicaragua that led to the victory of the new government, of the new legislative and municipal authorities in the country. It was a victory that forced us to follow the path of democracy, the road of reconciliation and concerted efforts. Some groups, however, believe that this reconciliation, especially the concerted agreement that was reached two or three weeks ago, implies that our government has betrayed and fooled them. This attitude is totally contrary, not only to our constitution, but to the government plan of the National Opposition Union [UNO] itself, which from the beginning has called for the establishment of a national agreement to strengthen reconciliation, peace, and progress among Nicaraguans.

This is why today we wanted to tell you of our concern and to make a call to these groups that are leading this movement to block the road to El Rama and other parts of the country. We call on them to abandon this attitude, to heed the call made by our president to open up the roads, and to respect the legal state we want to install in Nicaragua.

The Presidency has issued instructions that we make all the necessary efforts today to reach a negotiated solution to these conflicts, through a dialogue. We believe that the nation cannot afford to continue on this road. We believe that if the dialogue does not produce any results, we will have to make use of the means—granted to the government by the Constitution—to establish law and

order. Then the use of the police force, which up to now has been extremely defensive, will be unavoidable.

We hereby appeal to the mayors who are listening to this broadcast, to the Nicaraguans who are at the road blocks, to all those who voted for Violeta Chamorro for president, to comply with her wishes—that these barricades and road blocks be immediately removed. The people should return to their work place and any demands or questions they have should be presented to their municipal authorities. These in turn are to be presented to Chamorro and the Cabinet at the full Cabinet meeting that she has determined will be held in Juigalpa on Wednesday, 21 November.

This is the way to solve these problems. This is the way of negotiation, characteristic of a democratic government. The use of force will not lead to the solutions we want in Nicaragua. This is why we invite those who are at the barricades to put aside that attitude and join the civilian effort which we have been promoting here since April 1990. Thank you very much.

[Reporter] Mr. Lacayo, all along you have talked about the sectors that are manipulating this movement. We would like to know if the government can give us the names of these sectors.

[Antonio Lacayo] We are making a great effort today so that these sectors and the people who are manning the road blocks voluntarily abandon this attitude. We would prefer to wait for them to voluntarily do so. If they refuse to comply with this request, we would gladly furnish the names later on.

[Danilo Lacayo] Filadelfo Martinez from ACAN-EFE.

[Martinez] The persons who are at these barricades say that they are unarmed. Does the government confirm this, or does it have information contrary to this?

[Antonio Lacayo] The majority of these people are unarmed, but, unfortunately, in practically all the barricades there are some armed individuals.

[Danilo Lacayo] Jose Esteban Quezada of DPA.

[Quezada] Mr. Lacayo, how are you going to deal with the real problem, the socioeconomic problem, which is all the land demands? Is the project for land grants getting off the ground?

[Antonio Lacayo] The main problem we have come up against in the last months in Nicaragua is the land problem. Previously, we said that because we had solved the security problem of the contras, given that the Nicaraguan people have demonstrated that they hold no hate in their hearts, the contras who went back to their place of origin saw that they were safe. They saw that nobody tried to kill them, that nobody wanted to hurt them, so they abandoned the idea of the development centers. Consequently, instead of concentrating in two or three development areas, which they had agreed upon with the government, the Nicaraguan Resistance members have dispersed throughout the national territory. Now they are pressuring for land in all the regions, particularly in Regions 1, 5, and 6. As they have done this in a somewhat unorganized fashion, they come up against cooperatives, land invaders who were there before, and even private land owners and individuals.

Therefore, the government, in its eagerness to find quick solutions to these problems, created through Presidential Decree 54-90 the National Agrarian Commission, which in turn has created regional and municipal agrarian commissions, comprised of government authorities and the sectors that have major interests in the countryside. These commissions, up until today, particularly in Regions 5 and 6, have been finding solutions through consensus, with the participation of Sandinists and non-Sandinists, demobilized members of the Nicaraguan Resistance, members of UNAG [National Union of Farmers and Cattlemen], CPT [Permanent Workers Congress] independent workers, ATC [Farm Workers Association] members, and government authorities.

These commissions are making positive advances in the search for solutions to the land problems. Specifically, they are making use of the areas of land belonging to the People's Ownership Sector that were abandoned because of the war. We feel this is a good mechanism in finding solutions to the land conflict, which is the most problematic conflict in the rural areas right now.

[Hurtado] [Words indistinct] add a [word indistinct] to your statements. On 7 November, I met with the mayors in Juigalpa and also worked with the agrarian subcommission [word indistinct). By consensus, we reached the decision to set aside an area of land of approximately 27,000 manzanas in Region 5. This area would solve most of the problems of the demobilized people in this area—approximately (?1,400) families—who still do not have land and have not been relocated. Many of the demobilized people have already been assigned parcels of land.

[Danilo Lacayo] Adolfo Pastrano of [word indistinct] of Nicaragua.

[Pastrano] Mr. Lacayo, in statements to Univision [U.S. Spanish Television], Aristides Sanchez said Nicaragua needed a de-Sandinization, which means ending with the Sandinists in Nicaragua. What is your opinion of this? Also, a question for Carlos Hurtado. It is being said that you gave the orders to the Government Ministry officials who carried out the actions in Boaco yesterday. Can you confirm this?

[Antonio Lacayo] I believe Mr. Sanchez' comments are typical of a frustrated person. As the leader of an armed group, he tried to achieve his goal for several years. After testing the sad experience of resorting to war, which did not eliminate the Sandinists from this country, he had to come and coexist with them. I believe this would be like going against the Constitution, which allows great political freedom. It would also be like going against the

elections themselves, which gave the other party a large number of votes. It would also be like going against the essence of the UNO program itself, which calls for a reconciliation among Nicaraguan brothers.

We have to be very frank here. Throughout her campaign, Violeta Chamorro struggled to start over with a clean slate. She struggled for reconciliation, for an embrace among all Nicaraguan brothers, which is difficult, precisely because a war was waged. People do not forgive easily, and we see the proof of this in the case of this gentleman, who refuses to forgive. We believe the Nicaraguan people's obligation, however, is to forgive each other, because no one is perfect here. No one is free from sin. We must all initiate the construction of this country. We should work to overcome the economic crisis and the problems in the rural areas. We can only achieve this if we walk down this road, which is closely linked to the religious beliefs of our people. Most of us are Roman Catholics, and most of us believe in love above hatred. We believe the statements made by Aristides Sanchez are completely out of line. If he believes that is the future of Nicaragua, he had better look for it elsewhere.

[Hurtado] To go into a little bit of history, it was clearly established in the meeting I held last week with the mayors' coordinators in Region 5, [name indistinct] and Mr. De Leon, that there would be no new roadblocks as long as we were holding this process of negotiation and dialogue. To achieve this, we created a commission that would be in charge of accomplishing this and of preventing the roadblocks from being set up again. To help this along, I ordered the withdrawal of the special brigades from Juigalpa. They were going to reinforce the Boaco junction yesterday. When they were about to arrive there—they had to travel in a helicopter because of the roadblocks—they were welcomed with shots. A small exchange of fire ensued, in which a person was slightly wounded. Tear gas was also fired during the incident. In this regard, I want to say that many news media sources have handled all this information very quickly and have presented it as a massacre, which is totally false. They have sent out the wrong information. [passage omitted]

[Reporter] I want to ask Mr. Hurtado to list all the places in the country where there are possibilities of conflict, and to tell me what type of forces will be used to remove the barricades that have been set up. Will the Army or the police be used for this?

[Hurtado] In addition to Region 5, similar situations have arisen in La Concha, near Managua, as well as in Quilali, in Region 1. I must reiterate at this point that the government is trying to solve this through dialogue. Yesterday, before we went to Matagalpa to meet with the city mayors and later with the Bishops' Conference that was in session at Matagalpa, I met with a delegation from La Concha, La Concepcion. We discussed the various alternatives for solving the situation. We are discussing these conflicts one at a time. As Mr. Lacayo said before, it will be a matter of analyzing the alternatives the government has for working within possible, reasonable, and acceptable limits in the framework of a dialogue, or we will have to use other methods.

[Antonio Lacayo] I would like to add that in those areas where it is necessary to use policemen, or in those areas where the people are disarmed, the police will try to persuade the citizens to clear up the highway and allow the rest of the Nicaraguans to work. Where the people are armed, however, we will have to consider using the Army. We do not want to endanger the lives of anyone, but when there are armed elements one must take such precautions.

[Danilo Lacayo] We have time for five more questions. What does Carlota want to ask?

[Carlota, not further identified] I noticed a document in which [words indistinct] last Saturday, and these problems have nothing to do with the land problem. It struck my attention because on Friday two contras held a news conference to explain their problems, and they did not bring up the land problem. Does this mean that the problems in this country will continue after the land problem has been solved? The person that listed the ten points demanded by the contras belonged to the Southern Front of Arde [Democratic Revolutionary Alliance].

[Antonio Lacayo] I believe that what you say is true. The document... [20-second break in transmission] The people from the Southern Front have actually solved their problem. Inasmuch as the Southern Front was very small, it was relatively easy to find some land in Region Five, near El Almendro and San Bartolo. Therefore, they have solved their land problem. They have occupied the Santo Domingo Church and several other places for other reasons.

[Carlota] [Question indistinct]?

[Antonio Lacayo] Well, I imagine they are protesting over the Yolaina events, and perhaps it would be a good idea if we referred to them briefly. When the demobilization process was about to conclude, they asked that a kind of police force be formed with some of the demobilized fighters, so that it could guard the development centers. They thought that the presence of the National Police would be very hard for them, particularly at the beginning. They were very skeptical and very restless.

In fact, the government went beyond that and appeased them by establishing what was called the Internal Order Police, made up entirely of demobilized fighters. They were given some training, instructed on what should be a policeman's code of ethics, provided with uniforms and weapons, and ordered to guard the areas where the demobilized fighters were going to live—that is, in the development centers.

The Internal Order Police, however, made up of demobilized fighters from the Southern Front, have not been behaving as a police force. They have committed many

abuses, stealing cattle and taking advantage of the police uniform to carry out some actions that are very much in contradiction to what a policeman should be. After observing this type of behavior for several months, the government was forced to eliminate this police force, and take away their uniforms and weapons. This provoked a very angry action on their part, and this led them to come and protest in the churches.

We want to be very clear, however, and point out that the police force that is made up of people from the Northern Front and the former Central Front is working well. The Government Ministry and the National Police are pleased with their work. They are striving to behave as policemen, as it should be. We have had problems, however, with the people of the Southern Front. There are always exceptions, and, unfortunately, they have been the exception in this case. We understand their main demand right now is that they want to have reinstated in the police the persons who were separated a couple of weeks ago. [passage omitted]

UNO Member Parties Release Communique

PA1311175990 Managua Radio Catolica in Spanish 1130 GMT 12 Nov 90

["Communique" released by the National Opposition Unity (UNO) member parties in Masaya on 11 November]

[Text] The UNO member parties—the PLC [Constitutional Liberal Party], the APC [Conservative Popular Alliance], the PAN [National Action Party], the PLI [Independent Liberal Party], the PALI [Neo-Liberal Party], the PC de N [Communist Party of Nicaragua], the PDC [National Democratic Confidence Party], and the PSD [Social Democratic Party]—considering that:

1. The just aspirations for a change, for which the Nicaraguan people voted, are frustrated more and more every passing day;

2. These popular aspirations have been defeated by the Lacayo-Ortega collussion and the transition protocols signed behind the backs of the great majority of the people who voted on 25 February;

3. For us to keep silent in the presence of the criminal acts perpetrated by the Army and the Sandinist police against the 5th Region people is equivalent to becoming accomplices of these actions;

4. The demands of the Fifth Region's mayors, demobilized contras, and people in general of the Fifth Region and La Concepcion are just and appropriate;

5. President Violeta Barrios de Chamorro has not abided by the (?Bambana) agreement that she signed;

6. The existing nepotism against and the isolation of Vice President Virgilio Godoy represents a mockery of the Nicaraguan people;

7. The transition protocol and the presence of Humberto Ortega, Antonio Lacayo, and Carlos Hurtado in the government team have ensured the control of the police and the Army;

8. All of this is not part of the true nature of democracy for which the Nicaraguan people fought;

9. The majority of the Nicaraguan people voted for the Violeta-Virgilio ticket and for the UNO's original government plan; therefore, we hereby make these demands public:

1. The immediate removal of Humberto Ortega, Antonio Lacayo, and Carlos Hurtado;

2. The immediate solution of the agrarian problem of the demobilized contras and compliance with the demands of the mayors of the Fifth Region and Nueva Concepcion;

3. The immediate annulment of the transition protocol and the government's return to the UNO platform;

4. The immediate removal of the Masaya police officers and the designation of a government delegate to Masaya Department;

5. The complete elimination of all judicial structures throughout the country;

6. President Chamorro's standing by her signature of the Bambana agreement;

Masaya, 11 November 1990.

UNO Followers Seize Churches in Masaya

PA1311170390 Managua Radio Sandino in Spanish 1200 GMT 13 Nov 90

[Text] Two churchs in Masaya were seized last night by groups of UNO [National Opposition Union] followers, who locked themselves inside the San Geronimo and Magdalena churches. Masaya police sources have reported that a group of persons identified with the UNO groups in the city entered the San Geronimo Church at 2000; and they were followed by another group, which took over the Magdalena church at approximately 2200. The church occupants' demands are still unknown. The police have yet to carry out an investigation at the churches, and the police are still at the police stations.

Tension prevails among the citizens of Masaya because they are afraid that the riots now occuring in Chontales, Boaco, and La Concha might extend to their city. A Masaya police officer reported that the people locked themselves in their houses after the UNO followers took over the churches, because they are afraid that further protests will be carried out.

Government Ministry Statement on Boaco Kidnapping

PA1311225690 Managua Domestic Service in Spanish 2225 GMT 13 Nov 90

[Communique issued by the Government Ministry's Public and International Relations Directorate; place and date not given]

[Text] The Government Ministry reports the following to the citizens:

1. Yesterday, 12 November, the police of Boaco Department were ordered to handle the kidnapping case involving three members of the national police at the Boaco junction.

2. In view of the tension created by this incident, reinforcements were requested. These reinforcements were brought to the area by an Air Force helicopter. At no time did they repress, bomb, or massacre any civilians, as several media have irresponsibly reported.

3. The ministry also refutes information published on 10 November in a local newspaper that residents of El Coral Farm were massacred during an alleged attack involving some 100 soldiers who entered the farm.

4. The Government Ministry urges all media to be more objective in their reporting to avoid erroneous interpretations of the events that confuse the people.

[Signed] Public and International Relations Directorate, Government Ministry.

Payment Policy for Public Employees Unveiled

PA1411010290 Managua Domestic Service in Spanish 1815 GMT 7 Nov 90

[Statement issued by Labor Minister Francisco Rosales, Finance Minister Emilio Pereira, and Central Bank President Raul Lacayo in Managua on 7 November—read by Labor Minister Francisco Rosales; broadcast in progress]

[Text] ...decided in the past weeks to establish the following wage policy for the public sector, included in the budget, and autonomous entities for the months of November and December 1990.

For November:

1. We will make an adjustment for the necessary amount so that the salary earned in November is the same in gold cordobas as the October salary.

2. We are maintaining the public sector minimum wage at 50 gold cordobas.

3. Once again, each employee will receive a part of his salary in gold cordobas and the remaining sum in regular cordobas. The amount to be paid in gold cordobas may go up to a maximum of 120 gold cordobas.

4. The public sector payroll will be paid on 13 November 1990. The autonomous entities and the national financial system will pay their salaries in line with their normal payment timetables.

For December:

1. We will make an adjustment for the necessary amount so that the salary earned in December is the same in gold gordobas as the November salary.

2. Once again, each employee will receive a part of his salary in gold cordobas and the remaining amount in regular cordobas. The amount to be paid in gold cordobas may go up to a maximum 120 gold cordobas.

3. Salaries will be paid in the second week of December, from 10 to 14 December.

For the thirteenth month bonus, Christmas salary:

1. The entire Christmas bonus, 100 percent, will be paid in the first week of December, in accordance with the amount agreed on in the national dialogue—that is, the same as the last salary earned.

2. Employees who earn 150 gold cordobas or less will receive 100 percent of their Christmas bonus in gold cordobas. Employees who earn over 150 gold cordobas will receive 150 gold cordobas, with the remaining amount to be paid as follows: 50 percent in regular cordobas and 50 percent in gold cordobas.

[Signed] Finance Minister Emilio Pereira, Central Bank President Raul Lacayo, Labor Minister Francisco Rosales Arguello.

Antonio Ibarra Named Deputy Presidency Minister

PA1211003290 Managua Radio Sandino in Spanish 1214 GMT 10 Nov 90

[Text] Antonio Ibarra was finally sworn in as deputy Presidency minister on 9 November, even though he has been working in that capacity since May. Ibarra was legally the deputy labor minister until he approved—in the absence of Labor Minister Francisco Rosales—the rehiring of the workers who had been dismissed during the first workers' strike. Rosales did not like Ibarra's style, and Presidency Minister Antonio Lacayo elevated him to stardom by appointing him to preside over the first sessions of the national concerted dialogue.

Government's Gift for Problem Solving Questioned

PA1011232090 Managua BARRICADA in Spanish 5 Nov 90 pp 1, 5

[Text] Cardinal Miguel Obando y Bravo said in his Sunday homily at Las Sierritas Church that some sectors prefer to solve existing differences in Nicaragua militarily. He said that the situation is "alarming."

The cardinal said that someone recently told him that problems can be solved by the use of arms only. He answered that the only way is through peaceful talks.

The cardinal did not specify who had suggested a military solution to Nicaragua's crisis, nor did he say whether it was an isolated comment or the existence of a military operation underway.

He also confirmed that the blockimg of the highway at El Rama has created problems, and that several priests are among the hundreds of people unable to get through. BARRICADA has learned that Bishop Pablo Smith is among them.

In the past few days, differences between some sectors and the government have worsened. Recently, Cosep [Higher Council of Private Enterprise] leaders have appeared together with former contra leaders, commenting to local and foreign newsmen about their differences with the government.

Former President Daniel Ortega said that the demobilized contras have become the armed branch of big business. Antonio Lacayo, minister of the Presidency, criticized the behavior of the two groups.

During his homily, the cardinal criticized the lack of "moral conscience" and asked the people to reflect on the recent acts of violence in Managua: the incident at the Unidad de Proposito neighborhood where a grenade was hurled killing four people and wounding more than a dozen others, and the fatal shooting of a young man, Jean Paul Genie.

He demanded an investigation of these incidents and warned of how serious they are, and of the rampant violence and terrorism throughout the country. He said: "The authorities are not doing anything, and the situation is alarming."

The cardinal said, "President Chamorro wants to solve the problems, but I do not know if she has the power to do it."

He stressed that "the government has not kept its promises to the Nicaraguan Resistance" and that is why there are so many problems. He asked the groups that are blocking the highway to El Rama to help normalize the situation.

During the last few days Bluefields Bishop Monsignor Salvador Schlaeffer has made several telephone calls asking him to mediate in the highway blockade problem, which is affecting passengers going to or coming from the Atlantic coast.

Unexpectedly, when mass was over, a group of men came to the church door bearing posters announcing the takeover of the church and the start of a hunger strike until the government settles the conflict of the demobilized contras of the Arde [Revolutionary Democratic Alliance] Southern Front.

The cardinal, however, was aware of their plans. He told newsmen that he had been warned in advance, and had told them that he disagreed with their plans.

At 1203, 13 minutes after mass had ended, Francisco Delgadillo, leader of the men occupying the church, approached the cardinal and officially told him of the takeover and the start of the hunger strike.

The cardinal told him that it could create a negative precedent. Delgadillo replied, "But the government does not listen to us." The cardinal told him that he had spoken to Government Minister Carlos Hurtado on 4 November, asking him to resolve the conflict.

After talking for several minutes, the cardinal asked Delgadillo to keep his men away from the area where the nuns live. Meanwhile, the former contra leader told BARRICADA that they will occupy the church and continue with their hunger strike indefinitely.

Delgadillo said, "We will stay here until the government keeps its promises. The cardinal does not agree completely with this takeover, but it has been a nonviolent action, and we believe that he is the proper person to mediate with the government."

One of the posters the group was carrying read, "Carlos Hurtado, murderer of peasants. In Yolaina we demand justice."

* Commentary Criticizes Borge Interview

91CA0010A Managua LA PRENSA in Spanish 4 Oct 90 p 4

[Unattributed editorial: "Tomas Borge's Self-criticism"]

[Text] The election defeat "taught us a lesson and has forced us to put our feet back on the ground," Tomas Borge told THE INDEPENDENT in London.

In his self-criticism Borge accuses his party of six capital sins: overconfidence, which "divorced it from the rank and file"; bureaucratism; the forced recruitment of young people, "which caused thousands of them to leave the country"; excessive statism; separating people from their lands, "which caused shortages of farm products"; and finally, above all, "arrogance, which is the worst enemy of a revolution."

Although Borge is forgetting other serious sins (such as the Front's lack of an independent foreign policy, subject as it was to the dictates of Russia and Cuba, such as ideological fanaticism, and such as a lack of ethics), his self-criticism ought to serve as a basis for the Sandinist Front's future politics under democracy, if it chooses not to dissolve itself as a party. Above all, however, it should help to guide its political philosophy during this last opportunity to build our country that Dona Violeta's administration is offering it with the so-called National Dialogue.

If we delve deeper into the causes of the failings that Borge cites, we will understand perfectly well what the people were thinking when they voted against the Front and what actions and "accomplishments" of the revolution they saw as embodiments of Sandinist sins. Second, we will also understand the platform that UNO [United Nicaraguan Opposition] put together after analyzing these extremely serious offenses against human dignity, against law, against the economy, and against democracy, which is essential to Nicaraguans, in an effort to correct them.

The Borge code would readily lead to fruitful national dialogue. The recalcitrant Front is at this point an obstacle because of its obtuse, unself-critical mind-set in seeking at all costs to portray its errors and injustices as revolutionary accomplishments. For example, the unjust expropriations represented neither progress nor social justice; rather, they represented the sin of "arrogance" that Borge cites as the worst enemy of the revolution. The huge army, with its burden of economic oppression and its inevitable outgrowth of militarism, was no revolutionary achievement; rather, it was a cancer on the revolution itself. And so on with a wide variety of actions and laws that instead of fostering our development hurled us into the abyss of failure and poverty.

A Sandinist Front that is aware of its mistakes would be the finest source of rectification in the endeavor to save Nicaragua and give the people the well-being and progress that they deserve after so much exploitation, deprivation, and suffering.

The problem is that such self-criticism, which is being heard from many other Sandinists as well, seems to be reserved for brief moments of conscience and sincerity.

Owing to their habit of lying and locking themselves up in a fanatical atmosphere of myth, they will keep on resorting to demagoguery until disloyalty shatters the national dialogue.

Fortunately, we have as a judge a people possessed of a heightened awareness, a people educated by grief and frustration, a people immunized against idols, myths, and demagogic rallying cries. The Front should also bear this in mind if it wants to survive in the profoundly democratic world that has emerged with the fall of the Berlin Wall and the electoral defeat of Sandinism.

Government Urges Relations With All Countries

PA1311172990 Managua LA PRENSA in Spanish 8 Nov 90 p 2

[Report by Emilio Zambrana]

[Text] The Nicaraguan Government yesterday stated in a communique issued by the Foreign Ministry that "it will broaden and strengthen relations of friendship and cooperation with all the countries of the world, regardless of their ideologies."

The communique, which outlines the principles of the new government's foreign policy, emphasizes that relations with all the countries of the world will be established within a framework of tolerance and "international understanding."

It adds that the foreign policy of Mrs. Chamorro's government is based on and represents an extension of "the values and principles of its domestic policy."

According to the Foreign Ministry, these principles represent the essence of diplomatic relations. The communique adds that the goals of Nicaraguan foreign policy are the attainment of peace as an essential value in international relations; international reconciliation, which implies an internal democratic process; ideological pluralism; and the search for economic and social development.

The government has decided to respond through peace, democracy, and development—the pillars of its foreign policy—to the political history of the country, which has been marked by wars and socioeconomic underdevelopment.

The new government's commitment to peace is expressed in its support for national and international reconciliation; its support for negotiated political solutions among countries and regional conflicts; and its initiative in trying to create a demilitarized Central America.

The government supports the commitments made by the countries of the region to eliminate the arms race. In this regard, Nicaragua promotes the initiative to declare Central America a "zone of peace, democracy, and cooperation."

The communique adds that the Nicaraguan Government believes it is necessary to promote the fulfillment of all the agreements that were reached by Central American presidents in Esquipulas in the areas of politics, security, international verification, and economics.

The Nicaraguan Government supports the agreements reached by the superpowers on disarmament and the promotion of cooperation; these agreements are "putting an end to the East-West confrontation."

The Foreign Ministry communique points out that Nicaragua supports the depolarization of international relations by replacing confrontation with cooperation.

It reaffirms its support for the principle of nonintervention and encourages all those changes leading to democracy and freedom. It supports national reconciliation and the efforts that have been made to reunify Germany. It believes perestroyka and glasnost are positive steps that must be strengthened.

In matters of development, Nicaragua supports a foreign policy that promotes "self-sustained" and "fair" development so that the country can take care of its financial

needs with its own means, through trade and through the fair distribution of the wealth that is produced.

The communique adds that international cooperation cannot replace national efforts, "but it can be an element of support in the field of international trade."

Nicaragua will support a development strategy based on the complete integration of its human resources, more efficient production, the promotion of exports, regional integration, and food security.

The government, according to the communique, supports a dialogue between developed countries from the North and the countries of the South, as well as a South-South cooperation.

Panama

Banking President on Treaty, Money Laundering

PA1311190790 Panama City LA PRENSA in Spanish 8 Nov 90 p 1

[Report by Jose Quintero de Leon]

[Text] Edgardo Lasso Valdes, president of the Panama Banking Association, questioned the attitude of the United States by saying that the United States is pressuring Panama into signing a Mutual Legal Assistance Treaty. He says that this does not have any clear benefits for Panama.

Lasso Valdes, accompanied by Attorney General Rogelio Cruz Rios and Ernesto Boyd, executive director of the National Banking Commission, appeared before the Finance Commission of the Legislative Assembly to answer questions from legislators on "money laundering" in Panamanian banks.

Lasso Valdes said the Americans must first define what money laundering is because when money enters a bank it does not carry any "white powder" saying it is a product of drug trafficking. "What must be proven is that the banker is aware of it and that the crime has his tacit approval," in which case it must be severely punished, he said.

According to Lasso Valdes, he who says no drug money is going through his bank is being naive because the money has no distinguishing feature; hence, no banking center in the world is free from it. He rejected the U.S. accusation, however, that Panamanian bankers loan themselves to the money laundering business, an argument which they are using to get Panama to sign the treaty.

Lasso opposes Panama's adoption of legal measures forcing it to investigate crimes that are not specified in the Panamanian justice system, such as tax evasion concealed in bank accounts. According to Lasso Valdes, what the United States should investigate in its own territory are the original crimes that lead to the subsequent tax evasion.

Ernesto Boyd, executive director of the National Banking Commission, said that in 155 inspections of banks throughout the country, carried out by officials from that agency, not a single transaction has been found revealing the laundering of money from the drug trafficking business.

As for the Banco Interoceanico, S.A. (Interbanco), Boyd said that the commission's intervention was due to a lack of liquidity in the bank. In the next 60 days, however, a decision will be made to either close the bank and return the deposits to account holders or reorganize it and let it resume operating.

Boyd could not, however, answer a series of questions from legislators who were trying to get to the bottom of the relations between President Guillermo Endara and Interbanco. He argued that Article 74 of Decree-Law No. 238 of 1970 prevented him from revealing all the information obtained while exercising his duties at the banking commission.

Bar Association President on U.S. Treaty

PA1311192490 Panama City LA PRENSA in Spanish 11 Nov 90 p 32A

[Report by Nubia Aparicio S.]

[Text] Jose Alberto Alvarez, president of the National Bar Association, has stated that the new version of the Mutual Legal Assistance Treaty "is a million times more unacceptable than the first one."

Alvarez made the statement to LA PRENSA after the Foreign Ministry asked him for his opinion about the draft agreement that was discussed a few days ago with Michael Kozak, principal deputy secretary of state for Inter-American Affairs, and his aides in Panama.

The lawyer insisted that "on this subject, the Foreign Ministry is asking us to observe strict confidentiality, and the only thing I can say is that the new version of the Mutual Legal Assistance Treaty is more unacceptable than the first one."

The Mutual Legal Assistance Treaty allows the expeditious sharing of information and evidence in the prevention and investigation of crimes and in related proceedings that may arise from criminal activities.

The assistance provides for the release of documents, government records, and other elements as evidence; for the obtaining of testimony or other types of statements; and for the implementation of measures that would temporarily freeze the product of any sale and other instruments utilized in criminal activities.

When asked about the changes made to the draft treaty, Alvarez said that he could give no details, but in comparing the two documents he said: "The first three articles of the first version which was sent toward the middle of October had five pages; however, in the new one, those same articles have 20 pages."

In that sense, he said, there is a great difference between the first and the second document, adding that it seemed that they had only discussed those first three articles.

In his opinion, the Mutual Legal Assistance Treaty should categorically exclude any relation to any type of fiscal investigations.

Endara To Seek Japanese Aid During Visit

PA1111014990 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Nov 90 pp A-1, A-2

[Text] Panamanian President Guillermo Endara Galimany left for Tokyo on the morning of 9 November, accompanied by his wife Ana Mae de Endara, Foreign Minister Julio Linares, and his wife Albalira de Linares.

The presidential mission will attend the inauguration of the Japanese emperor, His Majesty Akihito.

The president was seen off at Tocumen International Airport by Ricardo Arias Calderon, first vice president and government and justice minister, His Excellency Jumpei Kato, Japanese ambassador to our country, and his wife, state ministers, and leaders of the Arnulfist Party and friends.

Explaining the reasons for his visit to the Land of the Rising Sun, the president said that "basically, we are visiting Japan to show our gratitude to that nation, which has been one of the world powers that has helped us most in our democratic transition."

"For instance, Japan withdrew its ambassador when the dictatorship set out to steal the elections from the Panamanian people," the president said. He added that "as soon as we took office, Japan immediately sent its ambassador, gave us aid, and has promised to give us much more aid."

The president said that we must express our appreciation on an international level, and "we must be present at such an important Japanese event, which has taken place for generations, in view of the fact that the emperor is an age-old symbol for all people."

During his brief stay in Japan, President Endara Galimany will take advantage of the occasion to meet with U.S. Vice President Dan Quayle and several Latin American presidents. He will also seek to strengthen the existing ties between our country and important Japanese investors.

Security for Embassies Housing Refugees Tightened

PA0911164490 Panama City Circuito RPC Television Service in Spanish 2300 GMT 8 Nov 90

[Text] In view of constant threats by the self-styled M-20 [20 December Movement], authorities have tightened security around the various embassies where former officials and officers of the Noriega regime have taken asylum.

At the residence of the Cuban ambassador to Panama, where former legislator Luis Gomez has taken asylum, one of the guards told our news team that at approximately 0930 today a male caller, who identified himself as a member of M-20, threatened to remove Gomez from the residence by any means possible. In view of this intimidation by alleged subversive groups, security has been intensified in the area of the old Golf Club in the San Francisco neighborhood. From a distance, our news team was able to see Luis Gomez, who has a thick beard and appears to be in good health. Our cameras were unable to tape what we saw because the security personnel did not permit it due to the special situation in the area.

Meanwhile, a security cordon has been set up around a building near the Balboa police station where former military officers Heraclides Sucre and Gonzalo Gonzalez have taken asylum. This is being done to prevent any rescue attempt, as the M-20 has repeatedly threatened.

Attorney General Will Request Noriega Tapes

PA1311151090 Panama City LA ESTRELLA DE PANAMA in Spanish 12 Nov 90 p 1

[Report by Vilma E. Figueroa B.]

[Text] Attorney General Rogelio Cruz has stated that, through the Foreign Ministry, he will ask the U.S. Government to send copies of the taped telephone conversations of General Manuel A. Noriega, who is currently at the Correctional Center in Miami.

According to Cruz, the tapes could be used as evidence to prove certain conspiracies existed in Panama after 20 December 1989.

"I know that crimes have been planned and organized over the telephone," he said, adding that "everyone knew that such tapes existed, but it was an unconfirmed rumor."

The attorney general said that the tapes will be requested because many persons, including fugitives, are heard talking with Noriega.

The attorney general mentioned the case of former PRD [Democratic Revolutionary Party] Legislator Luis "Lucho" Gomez, who has sought asylum at the Cuban Embassy, and said that his conversation with Noriega might be interpreted as a violation of the right to asylum.

When it became known that the former legislator had talked on the telephone with the former Panamanian strongman, the attorney general said that Gomez must be turned over to the Foreign Ministry, which will send a request to Cuba.

The attorney general said that he is studying the possibility of requesting Noriega's extradition from the United States so that he may testify in Panama concerning several cases which are currently being investigated.

Cruz said that, given the political implications, the extradition request must be handled at the government level because—regardless of the decision—it will have political consequences.

The lawyer added that if the United States turns down the request, it will be "obstructing Panamanian justice"; and if it accepts, then arrangements would be made to bring Noriega back, with the maximum security possible.

Special security measures will be established between the two governments, if the military officer is brought to Panama, to guarantee that Noriega is brought before Panamanian justice—but guaranteeing that he will be returned to U.S. justice, Cruz said.

Asked about Noriega's security in Panamanian prisons, Cruz answered that the security exists, but that he would recommend the adoption of additional precautions.

According to Cruz, Noriega's lawyers know it is absurd to request the annulment of charges so they are trying to delay the trial, scheduled to begin in January 1991.

Second, the attorney general said that Noriega authorized the recordings and he knew he was being taped. Thus, if he had wanted to talk in private with his lawyer, he would have requested it and the request would have been granted.

Attorney General Cruz said that we must bear in mind that Manuel A. Noriega calls Panama through his lawyer's office in Miami, and his lawyer's office probably taped these conversations and leaked a copy of them to third parties.

Furthermore, Cruz recalled that the first thing he did when taking charge of the Attorney General's Office was to state that the North Americans had to turn Noriega over to Panama, although he knows that some people considered this a grave problem. He (Cruz) always foresaw the possibility, however, that Noriega could be returned to Panama because there is enough evidence to sentence him "to at least 20 years in prison."

Arias Calderon Denies Persecution of Media

PA0911165290 Panama City Circuito RPC Television in Spanish 2300 GMT 7 Nov 90

[Report on interview with Ricardo Arias Calderon, first vice president and government and justice minister, by unidentified reporter; place and date not given]

[Text] Ricardo Arias Calderon, first vice president and government and justice minister, has said there is no persecution against the media or journalists. He also reiterated there are no armed groups opposing the Endara government.

[Begin recording] [Arias] Many Panamanians, including several journalists, struggled to attain a democracy with separation of the executive and judicial branches. We struggled for respect for the Constitution, which permits free speech without prior censorship, as exists now. The Constitution, however, also makes all of us responsible for our actions. The executive branch is not involved in watching over our responsibility for our actions. That is the purview of the Attorney General's Office and not of the executive branch.

[Reporter] Do you have any reports about the shipment of weapons and guerrillas in Chiriqui Province?

[Arias] There is no concrete information that confirms the rumors which circulated one or two weeks ago about the existence of guerrillas. I think this is very comforting news for the country, and it confirms what I have been saying time and time again. There is presently no guerrilla or armed group that questions the legitimacy of the democratic government.

[Reporter] There is some controversy about the pensions being given to military members who have been in service for only 13 years. What is your opinion?

[Arias] No military member is being granted a pension after 13 years of service. The retirements that were granted received prior verbal and written approval from both the Panamanian president and the comptroller general. [end recording]

Presidential Guard Reportedly Beats Reporters

PA0911175390 Panama City EL SIGLO in Spanish 9 Nov 90 p 12

[Report by Rafael Rodriguez]

[Text] Reporters Mara Rivera of the radio station Cadena Exitosa and Honorina Rodriguez of FM 99 were savagely beaten by Sergey Pardo, a member of the Institutional Security Service, at the entrance to the Presidential Palace. The incident took place when hundreds of reporters demanded the appearance of the Presidential Palace's tenant.

The executive's guards cordoned off the entrance to the presidential building and beat back the reporters, who could not enter. The reporters became angry and reacted by shouting slogans to protest the action.

In addition, reporter Aneldo Arosemena of the newspaper EL SIGLO was shoved and threatened by the executive's security agents, who even tried to draw their regulation firearms.

Courageously, the journalist shouted to the security agents to draw their arms. The guards' eyes showed their criminal eagerness to do so.

Once the news was spread that these guards tried to create panic, the reporters loudly protested the inhuman manner in which they were treated at the presidential building.

Journalists Meet Endara at Presidential Palace

PA1111005390 Panama City Circuito RPC Television in Spanish 1730 GMT 8 Nov 90

[Text] Panama City journalists marched from Porras Park to the Presidential Palace this morning carrying signs referring to freedom of speech and respect for their profession, to hand President Endara a declaration expressing their rejection of methods of pressure that are an affront to freedom of speech, action, and thought.

Journalist Dagoberto Franco was set free yesterday after his lawyers paid a 5,000-balboa bail in connection with a slander and insult charge. Other fellow journalists who took part in a recently held conference called by fugitive Otilio Miranda were summoned to the Attorney General's Office to give details of their meeting with Miranda. Details of this meeting are considered privileged professional information.

The journalists were met at the Presidential Palace by presidential spokesman Rene Hernandez and Toty Bares, director of the president's security service, Institutional Protection Service. Even though the presidential spokesman said only a few journalists would be allowed to enter and speak to the president, the journalists disregarded the warning and replied: Either we all enter or no one enters.

[Begin Hernandez recording] The rule for all demonstrations is that a delegation has to be named. We asked that they pick 15 journalists to talk to the president. That is the rule. [crowd chants: "All or none!"] [end recording]

The journalists read a communique intended for the president, but it could not be delivered to him because when he emerged from the Presidential Palace he simply read an article of the Constitution, which was considered rude.

[Begin recording] [Unidentified demonstrator] Let us compromise [transemos]. We await your reply.

[Endara] You will get your reply! [applause] Esteemed journalists: You have repeatedly questioned my actions, and I believe that I have a right to reply. This is the democracy I believe in. When I became president, I promised all the people that Panama was going to be free and democratic and that I would support the Constitution. I want to read an article to you that I swore I would obey. I hereby ratify my full compliance with this article.

Article No. 37 of the Constitution says: Any person may, without previous censorship, freely express his thoughts in writing or by any other means. There is legal recourse, however, when the media attack someone's reputation or honor. I want to tell you that the president is a person, and he will demand responsibility when his honor is attacked. I shall do so in each and every case. There is no persecution. I appear before the justice department, which I have sworn I will keep independent, like any ordinary citizen. I am not a second-class citizen. Neither do I enjoy extra privileges. I have the same rights that all Panamanians have. I want to make my position perfectly clear. I do not persecute anyone, and I have no reason to persecute anyone, but I am going to demand my rights. Many thanks.

[Reporter] Mr. President, what is your opinion on.... [crowd shouts]

[Journalist Doris Hubbard] We have not come here with an unfriendly attitude. We have come here as respectful professionals, who demand respect in return. Regrettably, I must tell you that I feel very disappointed with the president. His reply has not been conciliatory, but challenging. [end recording]

Criticize Endara's Behavior

PA1111034590

[Editorial Report] Herewith is a compilation of reports carried by different Panamanian news media on events that took place outside the Presidency on 8 November, following a demonstration organized by journalists to protest the arrest of EL SIGLO reporter Dagoberto Franco, who is facing a lawsuit for slander filed by President Guillermo Endara, and to demand the repeal of news media laws enacted by the previous regime.

Panama City EL SIGLO in Spanish on 9 November carries on page 2 its regular "Lightning" column written by Luis Ardines P., entitled "Journalists and the President." Ardines refers to the demonstration as a success, and notes that it was "very orderly." After describing the scene at the Presidency where Endara read Article 37 of the Constitution "on freedom of expression," he states: "I was disappointed because I never expected the president to react that way with journalists, who were marching to seek understanding and a clear vision of freedom of expression." He concludes by voicing disagreement with the suggestion that journalists give Endara and his government "the cold-shoulder treatment," because "we have a responsibility with the community and we cannot fulfill it with hatred and hard feelings."

Panama City Radio KW Continente in Spanish at 1200 GMT on 9 November carries the regular "The Word" program with Omaira Correa and Eduardo Tejada. She begins by noting "all of Panama's journalists" participated in "a silent march toward the Presidency." When the journalists arrived at the Presidency they were stopped at the gate and were told only 15 of them could enter. She then notes the crowd began to shout "all or none." "All of us wanted to go to the area where the president meets with everybody," she remarks. "A very dour-faced president came down, his customary smile gone. He did not listen to our demands. He first had to listen to us and say: What do you want? Let us talk. Let three or four come up," she states. She notes Endara came down carrying the text of the Constitution. "He shouted at us in a very shrill voice. He scolded us as we stood there. He was foaming at the mouth. That is why a newspaper quotes me as saying he spat on us, but that

was not the case. I just felt something unpleasant in front of my face. After shouting at us—going rat-a-tat-tat, like a machine gun—he turned around and left."

Deploring the president's behavior, she notes: "This is regrettable for many reasons. The first reason is that a president must listen to everybody, even those he does not like. Also, treating reporters the way he did is a very serious thing." She goes on to note that later that day, at a ceremony held at the Marriott Hotel, Endara said: "That newspaper is made up of people of the worst breed." Correa and Tejada stress that nobody was disrespectful of the president during the demonstration. Panama City EL SIGLO in Spanish on 9 November on page 10 carries a 400-word report by Rafael Rodriguez on the same incident. The author quotes remarks by National Journalists' Association President Alberto Quiros Guardia, reacting to the way President Endara treated journalists. Quiros Guardia asks: "Who the heck advises the president?" The report also cites Quiros Guardia as saying: "The purpose of the demonstration was, first, to tell the president we want freedom of expression, and we do not want gag laws. Second, we do not want laws to turn into Damocles' sword hanging over our necks."

The same newspaper on page 5 carries it regular "Commitment with Justice" column written by Dagoberto Franco, entitled "Declaration of War." Franco takes President Endara to task for the way he treated journalists. "With his haughty and arrogant conduct toward journalists, he demonstrates that power has gone to his head and that his true nature is coming to the fore." He adds: "It seems unbelievable that the president still does not know the importance of the news media in a democratic system. The news media is regarded as the fourth power, due to its role as watchdog of the government." Franco recalls the role journalists played in the struggle against the dictatorship of Manuel Antonio Noriega. "The news media hounded Noriega. That prompted him to commit all sorts of abuses against them, like sending journalists into exile, closing down news media operations, and enacting gag laws. Just as journalists can put a man in power they can topple him.... The challenge he gave Panamanian journalists is not a good omen of his government actions, because in the end he will lose the war with journalists."

Journalists Union Scores Endara, U.S. Ambassador

PA1311201890 Panama City EL SIGLO in Spanish 12 Nov 90 p 34

[Report by Eric Arce]

[Text] When asked about the treatment given to the journalists who marched to the Presidency of the Republic to demand an end to persecution and the repeal of the repressive laws on news reporting, Euclides Fuentes Arroyo, acting secretary general of the Trade Union of Panamanian Journalists [SPP], told EL SIGLO: "I think that the reaction of the executive branch chief reflects the mood of a person who, in the face of just demands and petitions made by the media workers, has no positive answers because the apparent characteristic of the triumvirate installed in Fort Clayton is its inability to resolve the most urgent problems."

Fuentes Arroyo explained that "this government has talked much about the dictatorship and the past 21 years, but since it took power it has made all sorts of mistakes. It can be said that never before have journalists been abused like in these past 10 months. And this, I repeat, is due not only to the case of Dagoberto Franco and the summons to journalists to try to silence them so that they do not tell the world or the Panamanian people that this is an occupied country subdued by the will of the North Americans, but because this government has no short-, medium-, or long-term solution for the poor."

The SPP official commented on the repressive laws against news reporting, adding that "we have stated before the OAS Human Rights Commission that visited us a few months ago that the government continues to in fact apply the laws of what they call the narcodictatorship; it continues to apply repressive laws against journalism with which we, journalists, cannot agree because of our principles. Thus, these laws must be repealed. In adition, we support all the journalists who are asking the government to repeal the aforementioned laws and to end the persecution against journalists and the threats against freedom of expression."

Regarding the measure to "give" the president of the Republic "the cold shoulder" because of the rudeness with which he treated journalists in the Palace of the Herons, Fuentes Arroyo, SPP acting secretary general, stated: "I think that we not only have to give the cold shoulder to the aforementioned government official but also to the U.S. ambassador, who displays his arrogance and is very vulgar toward the journalists. He has answered the journalists' questions in a very discourteous manner, using vulgar language everytime he appears on television." Fuentes Arroyo added that "telling a journalist that he is talking pure rubbish or calling him a crazy [loco] is a show of disrespect that cannot be tolerated from any official, regardless of how powerful the country he represents may be. This is a contradiction because precisely U.S. leaders boast that they are respecful of freedom of expression and human rights, but here in Panama the U.S. ambassador simply—this is not a lie because the Panamanian people see him often on television—draws public attention because of the arrogant remarks and vulgar expressions made to journalists."

Further Complaints Over U.S. Envoy

PA1311205390 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Nov 90 pp 1, A-2

[Text] Euclides Fuentes Arroyo, acting secretary general of the Journalists Union of Panama [SPP], has sent a note to Panamanian Foreign Minister Julio Linares complaining about U.S. Ambassador Deane Hinton and his security entourage for the "arrogance" and "lack of respect" that both have displayed toward reporters doing their jobs. The note states the following:

Panama, 9 November 1990

Julio Linares

Minister of Foreign Relations

Mr. Minister:

In my customary respectful manner, I am addressing you to report the discontent of a large number of reporters over the rude manner in which the U.S. ambassador responds to their questions. These are professionals who, fulfilling their daily endeavors, are forced to request the ambassador's statements and in return receive rude answers.

It was not once but several times that the U.S. diplomat has displayed little respect toward the reporters, whom on one occasion he even dared to describe as "crazy."

On 12 November, the arrogance of the gentleman in question reached inadmissible extremes when members of his security entourage ill-treated a television reporter who approached him to ask a few questions.

Within the climate of persecution that the government has established against reporters, the U.S. diplomat's haughtiness and arrogance have attracted a great deal of attention and are at odds with his position as representative of the United States, a country whose leaders boastfully claim to respect human rights and freedom of expression.

We hope that the Panamanian Foreign Ministry will make the SPP's reactions to his reprehensible conduct known to this diplomat.

Attentively,

Euclides Fuentes Arroyo,

SPP acting secretary general.

Ex-Legislator Accused of Breaking Asylum Rights

PA1111231190 Panama City EL DIARIO INDEPENDIENTE in Spanish 10 Nov 90 pp 1,22

[Excerpt] Magistrate Eusebio Marchosky, president of the Directorate for the Recovery of State Property, said yesterday that former Legislator [Luis] Lucho Gomez, who has been granted diplomatic asylum by the Cuban Embassy in Panama, has violated the norms of the Bustamante Code by conspiring over the telephone with former Panamanian strongman General Manuel Antonio Noriega. The Foreign Ministry must therefore adopt the necessary measures to reclaim him.

The well-known lawyer's categorical statement was made following a meeting in which the comptroller general of the Republic and Magistrates Eduardo Lombana and Gonzalez Menendez Franco participated. Menendez referred to the media's announced boycott of official reports, saying this would be a violation of professional ethics. He added that it violates the positive norms of the National Constitution. [passage omitted]

Communique on Duty To Testify Released

PA1311182090 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Nov 90 pp1a. 2a

["Communique to the Nation" issued by the Attorney General's Office; place and date not given]

[Text] **Obligation To Testify When Summoned by the Attorney General's Office**

The Attorney General's Office, exercising the power bestowed on it to investigate and prosecute crimes, is duly authorized by law to conduct all proceedings that contribute to the clarifying of said crimes.

The judge will therefore examine, through officials or experts, the people, clues, documents, traces, or evidence left at the scene of the crime. He will obtain statements from witnesss who have seen or in some other way know of the perpetration of the crime, unless the statements are expressly prohibited by law, violate human rights, or are contrary to moral and public order.

This means that anyone summoned by the judge as a witness or as an expert is duty-bound to appear in court to testify or answer questions. Anyone refusing to testify or answer questions without a legal excuse, will be deprived of his or her freedom for two days every time he or she is guilty of this offense, as decreed in Article 2128 of the Judicial Code.

The only exceptions to this decree are some government officials, who by law have to testify in a prescribed manner. If they refuse to testify, these officials are equally subject to the legal sanctions decreed by law.

In view of this, it is hereby clearly established that neither reporters nor lawyers are exempt if they are required to testify in an investigation being conducted by the Attorney General's Office, and they are therefore liable to the corresponding sanctions.

Bolivia

Court Approves Appeal for Annulment of Elections

PY1411032090 La Paz Radio Fides in Spanish 2330 GMT 13 Nov 90

[Report from Sucre by Julio Pimentel]

[Text] This afternoon the Supreme Court of Justice Plenum approved two important resolutions. The first resolution approves an appeal of unconstitutionality [demanda de inconstitucionalidad] filed by the Nationalist Revolutionary Movement [MNR] more than a year ago, and the second resolution approves a lawsuit filed by the Socialist Party-One against some resolutions issued by the National Electoral Court that have been labeled illegal.

By decision of the Supreme Court Plenum, the Supreme Court president has sent National Electoral Court President Mauro Cuellar Caballero, the following radiogram: I want to inform you that this court has approved the appeal for annulment [recurso de nulidad] filed by Gonzalo Sanchez de Lozada and Juan Carlos Duran Saucedo [MNR leaders] against some National Electoral Court resolutions labeled as illegal and against the elections.

I hereby transcribe the complete Supreme Court approval of the appeal: This court has approved the appeal for annulment given that it complies with all legal requisites of Article No. 769 of the Civil Code of Procedure, as verified by the judge who received the appeal, and it has likewise issued an order of summons in compliance with Clause 2 of Article 102 of the Constitution, also in keeping with Clause 5 of Article 769 of the same Civil Code. The case has been entrusted to the president of the Superior Court of La Paz. Those who have been summoned have the duty of bringing to court the original files of the case under penalty of the law.

Consequently, dear listeners, several congressmen from the Patriotic Agreement [Nationalist Democratic Action-Movement of the Revolutionary Left alliance] could remain suspended following the approval of this appeal for annulment, which was filed more than a year ago after the general elections were held.

The other resolution approved by the Supreme Court Plenum establishes that messages be sent to the presidents of all the supreme courts of the world and to international law organizations of the United Nations, of The Hague, of human rights, and others, reporting the outrage committed against the Bolivian judicial branch, by means of a spurious—the message states—and illegal and forced trial for malfeasance in office [juicio de responsablidad] for having correctly applied the Bolivian Constitution, exerting legal control over a concrete legal case [Taquina Brewery case] as established by the Constitution which authorizes this court (?to hear) processes of unconstitutionality and inapplicability. The Supreme Court Plenum thus denounces before the whole world and all supreme courts this attack which harms this democratic law and system.

These were the contents of the radiograms sent by the Supreme Court of Justice to the supreme courts of the whole world, and of the resolution which approves the appeal for annulment filed by the MNR. These were the latest reports from the Supreme Court of Justice in Sucre.

Banzer Requests Removal of Supreme Court Justices

PY1411032690 La Paz Radio Fides in Spanish 2330 GMT 13 Nov 90

[Text] General Hugo Banzer Suarez, president of the Political Council of the Patriotic Agreement [Conpap], has stated that Conpap wants to replace the Supreme Court justices to have a Supreme Court made up of honorable, honest individuals. Banzer Suarez also formally and officially announced that he will file a lawsuit for malfeasance in office [juicio de responsabilidades] against the Supreme Court justices for their decision in favor of the Taquina Brewery.

[Begin Banzer recording, in progress] ...representing the majority of the Bolivian people, and in the name of this majority, we want some changes. Unfortunately, changes are made when people are also changed. I do not think that the majority of the Bolivian people have a good impression of the performance of the Supreme Court members or of members of other government branches. However, those who have committed prevarication and have violated the Constitution must be changed so that they leave room for the best Bolivian citizens, whether they belong to a political party or not. Believe me that I will be the first one to demand.... [changes thought] In case this trial concludes, and if eight members of the Supreme Court are removed, I can assure the Bolivian people that I will personally work to bring to the Supreme Court Bolivians of great prestige to avoid what has been happening with Bolivian justice until the present. [end recording]

These were statements by the president of Conpap and ADN [Nationalist Democratic Alliance] and former de facto president of Bolivia.

Troops To Conduct Routine Maneuvers in Chapare

PY1311135090 La Paz Radio Fides in Spanish 2330 GMT 12 Nov 90

[Text] Four Bolivian Army battalions will be deployed in the area of Chapare in the Bolivian central subtropic zone where coca leaves and cocaine are produced. They will conduct routine maneuvers as part of their annual military training program. This information was disclosed today by General Jorge Moreira, the commander of the Armed Forces.

Gen. Moreira did not mention a date, but he said that battalions of the 7th Army division, headquartered in Cochabamba, will not conduct any antidrug-trafficking action.

The Federation of Coca Leaf Producers of the Chapare region has stated that the deployment of military units to the region falls within the framework of the plan to militarize the struggle against drug trafficking that was agreed last May in Washington by the U.S. and Bolivian presidents.

Coca producers representative Julio Arce said that the U.S. Government is pressuring the Bolivian Government to militarize the Chapare region. In view of the imminent onslaught, he said, the coca producers will establish self-defense committees.

Arce also confirmed that a peasant rally will be held in Chimore, a town in Chapare region, on 17 November to ratify their unity and confront the plan to militarize the struggle against drug trafficking.

Gen. Moreira said that nobody, least of all the coca leaf producers, should be afraid because the troops will only carry out their annual routine maneuvers.

Moreover, he said, the presence of troops in the region will mean that the inhabitants can be sure that drug traffickers will not engage in abuses against the peasants.

The Special Antinarcotics Force, which is a part of the Bolivian police force, is currently in charge of fighting drug trafficking in the Chapare region and the rest of the country.

According to statistics, 80 percent of the annual 540,000 tons of coca leaf produced in Bolivia come from the Chapare region. The clandestine cocaine laboratories produce approximately 483 tons per year of cocaine hydrochloride from the coca leaf.

Labor Minister Announces Unemployment Figures

PY1311140090 La Paz Radio Fides in Spanish 1100 GMT 13 Nov 90

[Text] Labor Minister Oscar Zamora Medinacelli has reported that over the past five years our country's unemployment rate has dropped by just two percent and that 20 percent of the labor force is unemployed.

[Begin Zamora recording, in progress] ... percent. This data has been supplied by the INE [National Institute of Statistics]. It is less than 20 percent, and it has been fully checked. These are the figures that the Labor Ministry is handling.

As far as the (?reactivation) problem is concerned, (?I believe) it is necessary for the country to understand the following: A small surge in October in terms of inflation is understandable. Nevertheless, we have also witnessed a reactivation of the productive apparatus during the months of September and October, and also in the first part of November, which we are now entering. All this seems absolutely natural to me because the demand, both domestic and foreign, has increased [words indistinct] obviously an increase in the employment rate. [end recording]

EEC Asked To Finance Alternative Development

PY1311120490 La Paz Radio Fides in Spanish 2330 GMT 12 Nov 90

[Excerpt] Foreign Minister Carlos Iturralde has disclosed that Bolivia has asked the EEC for cooperation loans amounting to $611 million to finance 71 different alternative development projects.

Despite the willingness expressed by several organizations of the EEC, Bolivia will have to wait until early 1991 to receive any kind of answer. [passage omitted]

Brazil

Collor Discusses Debt With French Premier

PY1311142690 Rio de Janeiro O GLOBO in Portuguese 12 Nov 90 p 2

[Text] Tokyo—President Fernando Collor yesterday explained his proposal for negotiating the foreign debt to French Prime Minister Michel Rocard. Collor explained to Rocard that Brazil will only talk with the Paris Club after the negotiations with the IMF are over.

The meeting with Rocard lasted almost one hour, and it forms part of the negotiations President Collor plans to hold on the foreign debt and investments during his visit to Japan where he is attending the coronation of Emperor Akihito.

Regarding the proposal for negotiating the foreign debt, which is based on the country's ability to pay, President Collor explained to the French prime minister that the Persian Gulf crisis is worsening Brazil's financial problems.

Collor told Rocard that because of the Gulf crisis, Brazilian annual oil expenditures have increased to $3 billion. Collor and Rocard also talked about the problems with the Uruguay round of the GATT negotiations. Collor reiterated his concern over EEC subsidies on agriculture.

The meeting with Rocard was held in Collor's suite in the Tokyo Imperial Hotel. The meeting was also attended by French Deputy Foreign Minister Edwige Avice, an old acquaintance of Collor who welcomed him in Paris when he was only a presidential candidate.

During the meeting Collor invited Rocard to visit Brazil on a date that has yet to be established.

The foreign debt will again be the issue when Collor meets U.S. Vice President Dan Quayle today. The meeting was scheduled for 11 November, but it had to be delayed because of Quayle's busy agenda. This lead to

speculation that the meeting had been canceled because Quayle had reportedly brought a harsh note from U.S. bankers who did not like Collor's foreign debt proposal. This report was later denied by advisers of the Brazilian president.

Today President Collor will attend the coronation ceremony of Emperor Akihito. He will also meet with Prince Charles of Great Britain, with whom he will discuss ecology issues.

Cardoso Interviewed on Economic Issues

PY1411021290 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Nov 90 Economics Section p 4

["Text" of interview with Economy Minister Zelia Cardoso de Mello by Pedro Cafardo and Jose Paulo Kupfer; place and date not given]

[Text] [O ESTADO] Why are businessmen and the government engaged in a shoot-out?

[Cardoso] I would like to strip this matter of its polemical tone. It is not an exchange of accusations or gunfire. At least as far as I am concerned, some of the businessmen's complaints are legitimate. In fact, the complaints are realistic. The interest rates, for instance, are high. This is real, and it causes many difficulties. There is no money in the market, and this is another real problem. The point is how to face these things. I believe businessmen are looking at them in the wrong way. From the start, the economic program was based on the monetary and fiscal policies, and structural reforms spelled out in the industrial, foreign trade, and science and technology policies, state reform, and privatization. There is only one way to implement an austere monetary policy—with high interest rates. This should be no surprise for the businessmen. In my public statements I have always said that the government's policy reacts to the way society acts, and that our objective is fighting inflation. If inflation persists, we will implement a more austere policy. Therefore, I cannot accept the story about businessmen being caught off guard.

[O ESTADO] Didn't they fall into a trap?

[Cardoso] Of course not. I have been saying that since July when inflation began to climb. You can read my statements.

[O ESTADO] Some businessmen believe that interest rates are too high, producing an effect contrary to the expected one; that is, they are fanning inflation because the cost of money is transferred to prices.

[Cardoso] That view is expressed unfailingly when interest rates move up. But, until the contrary is proven, the tight money policy that underlies the high interest rates will be maintained. This is the cost of fighting inflation. Since we chose this policy, we have to stick to it.

[O ESTADO] The entrepreneur Antonio Ermirio de Moraes said that never in his 41 years of business activities has he seen such an alarming state of disarray in production caused by the financial carousel [bidding against high interest rates]. Do you agree with that assertion?

[Cardoso] I do not. Financial carousel is an expression that was used in the past to depict a situation in which the foreign debt was reflected in the internal public debt. At that time, when the government was a large borrower of money, the carousel revolved; the businessmen were the money suppliers who lived on that financial carousel. This is not the situation now because the businessmen, not the government, are borrowing money. I do not agree with that story about a disarray in production either. A few days ago I talked with a multinational entrepreneur who is investing and making new plans. The difficulties exist, but I do not like to hurl accusations here or there. I would even prefer that you not to bring up this subject.

[O ESTADO] What is the Economy Ministry preparing to do in light of the inevitable wave of rumors about a price freeze after last week's large utility rate hike?

[Cardoso] Unfortunately, nothing can be done to dampen that expectation. I can only repeat once more that I do not believe in freezing prices. It is an instrument that worked well in Israel, a country with only 3 million people, a different culture, and solidarity among the social sectors, but this is not the case in Brazil. Freezing prices would attenuate the effects of the policy we are implementing, effects that I do not believe should be attenuated. The way to topple inflation is to stick to the fiscal and monetary policies and the structural reforms.

[O ESTADO] If inflation is stabilized, what will come afterward?

[Cardoso] Afterward will come a market economy where the state will participate in genuinely public areas, such as health, education, etc. Under the Quality and Productivity Program unveiled last week, for instance, the state is no longer an actor, but a coordinator. The privatization process and more administrative reforms will also come next. This is the way, and I do not see a place for price freezes in it.

[O ESTADO] Wasn't the readjustment of public prices too strong?

[Cardoso] Unfortunately, one can never please everybody. If you do not readjust prices, they say "inflation is being dammed up by freezing public prices," and if you readjust, they say "ah, the way is being paved to a freeze." There is no way.

[O ESTADO] Why was the increase 30 percent? Wasn't that because the government was holding down public prices more than it should?

[Cardoso] No. We just did not want speculative prices in the international oil market to have a ripple effect on the

internal economy. We were proven correct because international oil prices went up and then came down to a level that we think is right. So, the increases in public prices were necessary. We know the effect these increases will have on inflation; the November rate will not be lower than the October rate.

[O ESTADO] It seems that you believe the current inflation rates will always persist.

[Cardoso] I have a realistic position. I talked with an economist (Andre Franco Montoro Filho, president of the Economic Research Institute Foundation, FIPE) who said something I consider very appropriate: "The level of fever does not indicate the patient's general condition." So, we will have to live with the inflation rate. The level of inflation does not reflect the state of the Brazilian economy in general. The important thing is to continue implementing the programs of deregulation, privatization, state reform, and administrative reform, as well as to continue the foreign debt negotiations. These must be done in conjunction with the economic stabilization program. The fall in inflation could take longer than it was supposed to take, but Brazilian society must learn to live with the delay.

[O ESTADO] The big rumor going around is that the government will freeze payment of the thirteenth salary [Christmas bonus].

[Cardoso] But, why?

[O ESTADO] Presumably to withhold money from circulation that would stimulate consumption and inflation.

[Cardoso] Frankly, that is an idea that is difficult to comment on because I do not know where it could have come from. The origin of the rumors about freezes can be imagined because many economists promote that measure, but this rumor is not worth commenting on.

[O ESTADO] The idea could be traced to those who have not forgotten the mammoth freeze on savings imposed by the Collor Plan.

[Cardoso] There is no such idea at all. We will maintain the current policy, carrying forward structural reforms.

[O ESTADO] Do you have any hope for the results of the social pact meetings? Hasn't this pact become more difficult after the shoot-out between businessmen and the government?

[Cardoso] Understanding is being sought on directives from the president and we have found a positive, constructive position at all times. We have devoted a lot of manhours to this. We can only see the social pact talks as an important forum for discussing national issues. We have difficulty in attaining an understanding because of the country's diversity, size, regional disparities, and cultural differences. I went to Chile last week when a government-business- labor pact was being concluded. They had their economy stabilized when this oil crisis came up and the inflation rate more than doubled—it stands at about five percent a month. Consequently, the government is implementing a very rigid monetary and fiscal policy, which is being strongly criticized by the businessmen because it pushes interest rates up. This, however, is part of democracy and the Chileans reached an understanding: The workers gave up inflation-matching readjustments; the government will promote lower interest rates and change the fiscal policy to give priority to investments in the social area; and the businessmen have established a truce on prices. The realization that the oil crisis had made all of society poorer made that social pact possible. At a time when the economy is poorer, demands that cannot be met are unwarranted.

[O ESTADO] What is the stumbling block to reaching a social pact in Brazil?

[Cardoso] Unfortunately, nobody in Brazilian society wants to give up anything. Everybody wants to get out in front, to gain an advantage.

[O ESTADO] Is recession inevitable?

[Cardoso] A certain decline in the level of activity is inevitable.

[O ESTADO] Have measures to lessen the effect of the impending recession been considered?

[Cardoso] The government has been developing various social programs for some time. A large quantity of stockpiled food that was spoiling was recovered. We have not deactivated the school milk program. There are many programs to spare the low-income population from the effects of a recession.

[O ESTADO] But no new measure is being considered?

[Cardoso] None at this time; perhaps later.

[O ESTADO] How can a 20-percent inflation rate be reached after the Collor Plan's mammoth freeze on savings?

[Cardoso] That happened because three factors were left uncontrolled. We had a decreasing inflation trend until August, when it reversed. At that point we had oil and agricultural shocks, combined with increasing election-related expenditures by the states. We could not control these factors. We are not responsible for the oil crisis, but we feel its effects. The agricultural shock and the crop failure can be traced to the previous government's policies.

[O ESTADO] A survey conducted by O ESTADO shows that the Collor Plan's credibility has slipped considerably. Do you agree with this result?

[Cardoso] I have not sensed that slippage. But, the fact is that persistent inflation is not a positive factor.

[O ESTADO] Economies like the Brazilian economy have a basic problem—a lack of investment resources. Projects like the Quality and Productivity Program demand resources. What is the priority: To implement

structural reforms or to maintain the situation as it is until investments can be made?

[Cardoso] The fight against inflation is the priority. There is no reason, however, not to address structural reforms. The Quality and Productivity Program does not in fact require resources from the state; it only requires that the state perform a coordinating role.

[O ESTADO] To increase production and productivity, investments in electric energy, roads, water supply, and sewage, etc. are necessary.

[Cardoso] Yes, but that can be done as possibilities permit, along with the economic stability program, which has priority.

[O ESTADO] The creditor banks are saying that Brazil lost a good opportunity to reach an agreement with the IMF and the banks when the Brazilian economy was in better shape. Now that the domestic situation has deteriorated, Brazil may no longer reach an agreement. Do you agree with this statement?

[Cardoso] I disagree with it completely. It is an inconsistent assertion. We cannot reach an agreement with the IMF without first discussing public accounts. There was no possibility of discussing public accounts in April. We had just arrived in government and we had to reorganize the national budget. On what basis would we have negotiated? There was no time for discussions with anyone until the budget was sent to Congress. There was no way to begin talks before June. Besides that, there is an internationally accepted process that must be followed. First, you go to the IMF, then to the Paris Club, and then to the banks. We even altered the schedule to hold simultaneous talks with the Paris Club and the banks.

[O ESTADO] Bankers think that Brazil also lost time because the Brazilian proposal is totally unrealistic.

[Cardoso] Again, I disagree. We made a realistic proposal. Let us clearly say what the banks want: They want to reach an agreement to solve the short-term problems and leave the rest of the problems to somehow settle later. We do not want this. We want a commitment that can be honored. If we promise to pay a dollar a year, we will pay that dollar. If I wanted international fame it would be easy. I would arrive there, sign an agreement, and pay $1.5 billion in overdue interest, and everyone would find it fantastic. But, in six months Brazilian credibility would be at the bottom again. Our proposal is that we want to pay—now, in a year, two, 10, or 20 years.

[O ESTADO] Last week the banks proposed that Brazil pay $2.5 billion in overdue interest payments. What do you think of this?

[Cardoso] It is not just that. There were several other things. We will analyze them in several meetings and Ambassador Jorio Dauster will return to New York on 13 November with our counterproposal.

[O ESTADO] Will Brazil agree to pay part of the overdue interest?

[Cardoso] Wait until I make a counterproposal.

[O ESTADO] Besides the $2.5 billion payment, what else do the banks want?

[Cardoso] Several things that I prefer not to reveal for negotiating strategy reasons. Although the banks always reveal our proposals to the media, I prefer to keep silent for strategy reasons.

[O ESTADO] Some forecasts say the trade balance will begin to show a deficit in December. Does that make sense?

[Cardoso] That is not our forecast. We are thinking of a smaller surplus, but not a deficit.

[O ESTADO] Won't a reduction in the trade surplus indicate a possible exchange crisis in the short term? Or, won't there be a shortage of dollars to pay the most essential Brazilian obligations?

[Cardoso] It is my characteristic not to deal with future anguishes. I deal with one problem at a time. For the time being, I am not dealing with this problem.

[O ESTADO] What problem are you dealing with now?

[Cardoso] The foreign debt and the structural reform and inflation programs.

[O ESTADO] Will the prices and utility rate increases of last week cause hyperinflation?

[Cardoso] If we were not sure of our control over the fiscal and monetary policies, we would have been afraid to readjust the utility rates; however, our confidence in our policies allows us to be sure that there will not be any uncontrolled inflation despite the utility rate increases.

[O ESTADO] Businessman Antonio Emirio recalled that in 1985, a 15-percent inflation rate caused the downfall of Economy Minister Francisco Dornelles. He did not say that you may fall, but apparently, he suggested that you be careful.

[Cardoso] Be careful with what? I think that was just his opinion.

[O ESTADO] Do you think a 15-percent inflation rate will not cause the downfall of a minister?

[Cardoso] No. I repeat, it is not included in my agenda of concerns.

[O ESTADO] FOLHA DE SAO PAULO reported that President Fernando Collor asked the economic team for explanations and gave it until January to reduce inflation. Is that true?

[Cardoso] President Collor expressed his concern over the fact that inflation did not drop. That is true.

[O ESTADO] Did he give you until January to reduce it?

[Cardoso] I did not hear that.

[O ESTADO] Did you go to the United States last weekend on a personal trip or for work?

[Cardoso] Did I go to the United States?

[O ESTADO] We are asking.

[Cardoso] What I do on the weekends is my business.

* Past, Present Activities of Hugo Piva Surveyed

91SM0038A Sao Paulo VEJA in Portuguese
3 Oct 90 pp 48-50

[Unattributed article: "Scientist of the Arabias"; first paragraph is VEJA introductiond]

[Text] Here is the agitated trajectory of Hugo Piva, the researcher who makes missiles for Saddam Husayn and makes the diplomats nervous.

A Brazilian citizen, Hugo de Oliveira Piva, 63, reserved, slender, and soft-spoken, has become accustomed to travel around Baghdad with a boldness permitted only to famous visitors, who are greeted with bowing and scraping by a regime that has unimaginable rigors in store for its adversaries and even for those who are "neutral." A brigadier general in the reserves, he is a friend of major figures in the Saddam Husayn regime such as Generals Ahmed Hubaidj and Ahmet Rashid, high-ranking officials of the powerful Ministry of the Military Industry. When the Persian Gulf crisis broke out and the drama of the foreign hostages began, he set out in a direction opposite to that of everyone else: he was in Brazil and returned to Iraq to extract exit visas for some of his acquaintances in Iraq and their family members. It took one week. Piva also left Baghdad at a time of his own choosing, with a party of 27, and even upstaged the Brazilian diplomats. "I know some rather important persons in that country, and I can free other people as well," he said on this occasion. "But I would not do it on my own initiative."

The general's "performance" in the Arabias did not end there. He returned to Baghdad in early September, and while all the Brazilian authorities were saying that the case of Piva's friends was extremely complex and sensitive, he had another "surprise" to flaunt: the first exit visas to be stamped on passports were those of this group. The group of 21—known as "Piva's Team"—was expected to arrive this weekend in Brasilia together with 230 other Brazilians of various companies who had been detained in Iraq and whose departure was negotiated with difficulty by the special diplomatic mission sent to Baghdad by the Brazilian foreign ministry. An Air Force officer with the rank of major general [as published] (the next to the highest rank in the military hierarchy) and former director of the Aerospace Technology Center (CTA), Hugo Piva was at the center of an embarrassing situation that the Brazilian diplomacy of today inherited from the previous governments and from which it has been unable to free itself.

The confusion had its unobtrusive beginnings in October of last year when Piva assumed command of a team of high-level engineers—almost all of whom were former government officials—who had been commissioned to develop a missile to equip the Iraqi fighter aircraft. After successive jabs delivered by the Foreign Ministry following the outbreak of the crisis in the Gulf, Piva last week became the target of President Fernando Collor himself. During his visit to the United States, Collor announced that he intends to draft a bill that will prohibit former government employees from working for other governments. In referring to Piva, Collor deliberately did so in a pejorative manner, calling him "a former brigadier general"—as if there could be such a thing as former doctors or former engineers. His attack was almost a public apology to the United States for the fact that there are Brazilians working for Saddam Husayn.

Thorn in His Side

Persona non grata to the present government, Piva represents the most obvious crack in the Foreign Ministry's Middle East policy during the past 15 years. He insists that he went to Baghdad to make missiles only after getting the green light from the Sarney administration, at a time when Iraq was still being treated as Brazil's principal trading partner in the Middle East and as a nation deserving of official—albeit secret—negotiations. The new administration, however, has demonstrated on repeated occasions that it intends to distance itself increasingly from Baghdad and pass an eraser over everything that might recall the long-standing and special friendship with Saddam. Piva is a thorn in Collor's side. After all, he headed almost all of the "Great Brazil" military projects, which squandered millions of dollars on ideas such as constructing missiles, launching space rockets, and—it is suspected—even exploding atomic bombs. Today, the general has even been trailed by spies in the service of the Brazilian Government, which is trying to learn about his private activities.

First in His Class

"I do not know why there is so much controversy," Brig. Gen. Piva says. "It was the great powers that armed Iraq and even supplied it with chemical weapons factories. We only taught the Iraqis to make a defensive missile, one that is small and simple, similar to those they have already been buying on the market whenever they wanted to," he says, in a reference to a version of the Piranha missile that Iraq had begun to develop with assistance from Brazilian engineers. In signing the contract with the Iraqis, Piva became entangled in a web of espionage typical of spy stories. It is a well-known fact that Piva is the owner of a small company that sells technological consulting services and military projects;

his firm—the HOP [Hugo de Oliveira Piva] Company—has its home office in the city where he maintains his residence: Sao Jose dos Campos, 100 kilometers from Sao Paulo. According to Piva himself, it is this company—which occupies a modest room in a downtown office building—that hired the engineers. A secret report sent by the Brazilian embassy in Baghdad, however, discloses that the general receives the payments for his services through another company he owns, the Benford Holdings Corporation. The Benford management is domiciled in Panama; the Benford home office is registered in Monrovia, the capital of Liberia, in West Africa; and the Iraqi Government's payments are deposited in the Bank of the Netherlands, in Luxembourg—in other words, the company is ensconced in a network of fiscal paradises that in practice are the easiest way to transmit secret funds, smuggled equipment, and suspicious military projects.

Before entering the reserves, Piva built a brilliant military career. In the Air Force Academy, he stood at the top of his class. A champion on the target range and in athletics, he was an ace pilot and was promoted to the command of a squadron of fighter planes. Upon attaining the rank of captain he decided to enter the Aeronautical Technology Institute (ITA) to learn how to make aircraft. In its 30 years of existence, only eight students have graduated from the institute without ever receiving a grade below 9.5—and Piva is one of them. (Colonel Ozires Silva, minister of the Infrastructure, is another.) Piva also succeeded in distinguishing himself in the United States, where he spent four years in one of the world's most respected universities, the California Institute of Technology, where he received a Ph.D. in Aeronautics and Mathematics with a grade of 10.

Piva speaks four languages, has had nine books published, and regularly gives international lectures. He has participated in a number of projects, including the first Brazilian vertical-takeoff aircraft, the "Convertiplano," in the 1950's; the first Brazilian helicopter, the "Beija-Flor" [Hummingbird], in the 1960's; the first Brazilian rockets, the "Sondas," in the 1970's; and lastly, the first missile to carry the Brazilian flag, the "Piranha," in the 1980's. With a resume of these dimensions, he has won from his friends the affectionate nickname of the "Brazilian Von Braun," in a reference to the German scientist who invented the V-2 rocket for Hitler and became the father of the American space program. "He is a genius," insists Brigadier General Tercio Pacitti, former rector of the ITA. "The Americans brought Von Braun to the United States, and the Iraqis came to Brazil to get Piva."

Professor Pardal

In addition to the obvious difference in scientific stature, there are other differences between Hugo Piva and Von Braun. The German scientist grew up under Nazism, went to work for the Americans, and accumulated a resume of projects that were successful. Piva traveled an opposite route: he frequented the high command of the Air Force, even though he did not have the rank to do so; was elected a member of prestigious scientific organizations; and is today a partner in Saddam Husayn's military projects. Another problem with the Piva-Von Braun comparison is that none of Piva's projects was entirely successful. As director of the CTA he undertook projects so grandiose that they became the butt of jokes among his colleagues: one of these projects called for burning tons of petroleum in the open sea to induce a deluge over the semiarid interior region of northeastern Brazil to end the drought there. The rockets of the Sonda series—from Sonda I to Sonda IV—did successfully carry out the meteorological experiments for which they were designed, but the project cannot be considered a total success. The Sondas were the initial stages of a huge rocket for launching satellites that could be converted into long-range missiles.

The satellite has already been purchased, but the rocket—the VLS—has remained in the prototype stage ever since the Sarney administration cut off its funding. And lastly, the Piranha missile—an almost inoffensive weapon compared to the top-of-the-line conventional weapons of the great powers, consumed $10 million and had its appropriations cut off at a time when it needed an additional $70 million to go into production. After that occurred, Piva decided to try to conduct his experiments in Iraq. "He is a kind of Professor Pardal," explained engineer Vito di Grassi, vice president of Engesa [Specialized Engineers, Inc.] and former president of the Orbita company, which would have built the Piranha. "He is a brilliant scientist, but as a manager he leaves a lot to be desired: he never finishes a project as it was conceived and always wants to change something."

Atomic Bomb

Among the projects that Piva attempted at the CTA was one that was especially controversial—the "Solimoes"—which called for drilling the borehole for atomic tests in the Serra do Cachimbo that President Collor sealed two weeks ago. According to a four-star brigadier general who is a former member of the Air Force high command, the idea was not to drill just one borehole but four or five. The project also called for the explosion of nuclear devices as part of the "parallel program" carried out by the Armed Forces beginning in the 1970's. Piva took over the project at a time when the first borehole was almost ready, but tried to arrange for it to have an unusual outcome. Toward the end of the Figueiredo administration, when it had become obvious that the opposition would inevitably win the presidency, he was invited to take part in a meeting of the high command to discuss the nuclear program.

According to one of those who were present, Piva suggested at the meeting that two decisions should be made before the Figueiredo administration turned over the reins of government. The first would be to launch a Piranha missile, for which there already was a prototype. The other would be to conduct a nuclear test in the Cachimbo borehole. There were many objections to the latter idea. It was pointed out that nearby groundwater might be contaminated. The idea

ultimately wound up in the wastebasket for an even more compelling reason: the atomic bomb would still not be ready, and no one was able to say with certainty when or if it could be detonated.

Wine and Jail

Brig. Gen. Piva had already entered the reserves (in 1987) before this occurred. The then minister of Aeronautics, Moreira Lima, was an old adversary and insisted on denying him his fourth star. "He was not promoted," Moreira explained, "because he is not a team player and was inadequate as an administrator. No one can deny that Piva is brilliant, but he is an extreme individualist: he did as he pleased, and no one had the courage to contradict him." During the years he was in the CTA, Piva was a source of controversy. As an administrator he specialized in finding shortcuts within the bureaucracy to enable him to embark on his projects, and he became familiar with all of the black markets abroad where one could buy quantities of components that were banned by the great powers. On one occasion his superior in the CTA vetoed the purchase of a supercomputer; some months later the computer arrived, already purchased. On another occasion he was forbidden to use project funds to give salary increases to the researchers; the corresponding checks were subsequently revealed to have been "raised," and he spent several days in jail.

Piva is an unusual person in his private life as well. His father was a wealthy rancher in Brotas, in the interior of the state of Sao Paulo, and Piva today lives quite comfortably. He owns land and commercial real estate in Sao Paulo and in Sao Jose dos Campos, and lives in a duplex near the CTA. Self-disciplined to an extreme, he eats basically cereal grains and vegetables, sleeps no more than five hours a night, and has only one hobby: wines. Piva founded and heads, in Sao Jose dos Campos, the Brotherhood of the Friends of Wine and Oenology, and enjoys taking part in ceremonies in which he can distinguish—with his eyes closed—a Bordeaux wine from a Burgundy, and on a number of occasions has even identified the vintage. "His conversation is pleasant, and he dominates our meetings," comments Dominique Contant, vice president of the Brotherhood. This past weekend, when the Foreign Ministry was hoping to consummate the dramatic departure of the Brazilians from Iraq, it was this Brazilian citizen, Brig. Gen. Hugo de Oliveira Piva, who was at the center of one of the most distressing diplomatic embarrassments in which the nation has been involved in recent years.

Chile

Nine More Police Officers Fired in Drug Case

PY1311150490 Madrid EFE in Spanish 0046 GMT 13 Nov 90

[Text] Santiago, 12 Nov (EFE)—The Investigative Police Directorate (plainclothes) today reported that nine officers have been fired because they were involved in drug activities.

Like the 10 other officers who were fired and placed at the disposal of the courts on 5 November, these nine officers were also posted to the police headquarters in the city of Temuco, 671 km south of Santiago, where they organized a vast network for the distribution and sale of cocaine. The press has called their operation the "Southern Cartel."

The Investigative Police have released a communique in which they state that three lieutenants, three inspectors, and three detectives have been fired. They must be added to the deputy prefect, one captain, one deputy captain, three inspectors, and four detectives, who were fired previously.

These 19 policemen blackmailed businessmen of the area, made them serve as distributors, used the vehicles of a local taxi company for their illegal deals, and sold drugs directly to the addicts in three well known night spots in Temuco.

According to the results of the judicial investigation, the drug trafficking policemen obtained their drugs in the northern part of Chile, on the borders with Peru and Bolivia, and their network also operated in the Argentine province of Neuquen.

It has reported that the gang also exported cocaine to the United States and Europe. This report has not officially been confirmed, neither has the report that well-known businessmen and shop owners in Temuco financed the gang.

Police indicated in their communique that with the firing of these nine officers, the gang has been completely busted. They also reiterated their "unbreakable will" of not allowing their personnel to become involved in actions that go against professional ethics.

* Pending Legislation in Congress Listed

91SM0035B Santiago EL MERCURIO in Spanish 2 Oct 90 p c-2

[Text] Valparaiso—Thirty-four proposals in the hands of the Chamber of Deputies and 19 in the hands of the Senate have been listed to date by the executive branch for processing in the National Congress during the extraordinary legislative sessions.

Of the total of 53 proposals to be considered in the ordinary parliamentary sessions, 39 are draft laws, seven are draft agreements (on foreign relations issues), one is a draft constitutional amendment, and six are parliamentary motions sponsored by the executive branch.

Chamber of Deputies

The following are the proposals which the executive branch has listed on the convocation for an extraordinary legislative session, and which are now in the hands of the Chamber of Deputies:

- Draft laws on neighborhood councils and community

organizations, with the Interior Government Commission.
- Proposal amending DFL No 343 of 1979, on the status of the personnel of the Ministry of Foreign Relations, with the RREE [expansion unknown] Commission.
- Proposal amending Article 30 of Law No 18469 regulating the exercise of the constitutional right to health protection and establishing a system of health services, with the Health Commission.
- Proposal authorizing professional activity for Chilean citizens who have earned specified degrees and titles while in exile, with the Education Commission.
- Proposal creating the state National Television of Chile enterprise, with the Constitution, Legislation, and Justice Commission.
- Draft law establishing conditions for the rescheduling of the sums owed by university tax credit debtors, with the Education Commission.
- Proposal allocating funds for the employees of the health sector, with the Finance Commission, with the Health Commission reporting.
- Proposal amending Article 19 of the Criminal Procedures Code, with the Constitution, Legislation, and Justice Commission.
- Draft law amending Law No 18962, Constitutional Education Structure, with the Mixed Commission reporting, on the agenda.
- Concerning freedom of expression, with the Constitution, Legislation, and Justice Commission, classified extremely urgent.
- Proposal to amend the name of the Ministry of Economy, Development, and Reconstruction and to create the National Technology Council, with the Economic Commission, with report ready for reading in the Chamber.
- Proposal creating the National Youth Institute, with the Interior Government Commission.
- Proposal to amend the General Law on Urban Development and Construction with regard to the norms for low-cost housing, approved by the Senate on the second reading, with amendments, on the agenda.
- Draft constitutional amendment on municipalities, with the Joint Constitution, Legislation, and Justice and Interior Government Commissions, for second reporting.
- Draft law amending the Constitutional Law on Municipalities, with the Interior Government Commission.
- Proposal modifying various legal bodies involved in state administration, with the Interior Government Commission, for second reporting.
- Proposal to amend Article 2 of Law 16741 and the fourth paragraph of Article 6 of Law 18138, with the Housing Commission.
- Proposal to amend Articles 208, 208, and 272 of the Civil Code, with the Constitution, Legislation, and Justice Commission.
- Proposal to amend Decree Law No 258 of 1974 pertaining to the National Radio of Chile, with the Constitution, Legislation, and Justice Commission.
- Proposal on payment of pensions to former parliamentarians, with the Labor and Social Security Commission.
- Proposal on patents and trademarks, for third constitutional reading.
- Draft laws increasing the personnel roster of the Carabineers of Chile, recently filed, classified simply urgent.
- Proposal establishing norms for the tax administration and approving surcharges on delinquent taxes, recently filed, classified simply urgent.
- Proposed amendment to Law 154840 on the structure of the Ministry of Public Works, recently filed, classified simply urgent.
- Draft law on the national budget, submitted last Friday, which must be voted out by the Congress prior to 30 November.
- Draft agreement approving the agreement between the Republic of Chile and the United States of America signed in Santiago, Chile, on 11 June 1990.
- Draft agreement approving the agreement adopted by the government of Chile and the Organization of American States by an exchange of memoranda on 31 May and 24 June 1989, which adds a paragraph to Article 11 of the Agreement on the Office of the General Secretariat of the Organization of American States in Chile, with the RREE Commission.
- Parliamentary motions sponsored by the executive branch: draft laws on the erection of monuments to former presidents of the Republic Eduardo Frei and Jorge Alessandri.
- Motion to change the name of the commune of Puyehue.
- Motion to establish full legal capacity at the age of 18.
- Motion incorporating structures at fairs, on swampy lands, in markets, and in slaughterhouses in the Law on Cooperative Real Property.
- Motion providing for signed petitions making reommendations to the ministers of state in the course of the process of drafting laws.

The Senate

The following are the proposals assigned to the extraordinary legislative session and pending in the Senate:

- Draft law to replace DL No 1320 of 1978 on open housing cooperatives, to go to the Mixed Commission which is being established.
- Proposal amending the Military Justice, Criminal, and Aeronautics Codes to eliminate the death penalty, for second constitutional reading, with the Constitution Commission reporting, on the agenda.
- Draft law establishing the Ministry and Secretariat General of Government, generally approved, for second constitutional reading, pending in the Government Commission.
- Draft law establishing new norms for trade-union organizations, pending in the Joint Labor and Social Security and Constitution, Legislation, Justice, and Regulations Commissions, for first constitutional reading.

- Draft law establishing norms pertaining to collective bargaining, pending in the Joint Labor and Constitution Commissions, for first constitutional reading.
- Draft law amending various specified legal texts, the better to guarantee the rights of individuals, pending in the Constitution, Legislation, Justice, and Regulations Commissions, for second constitutional reading.
- Draft law amending Law No 18314 on terrorist crimes and the penalties therefor, pending in the Constitution Commission, for second constitutional reading.
- Draft law combining the Ministry of Education personnel rosters, pending in the Education Commission, for second constitutional reading.
- Draft law amending General Law No 18892 on fishing and agriculture, pending with the Fishing and Agriculture, Economy and Trade, and Finance Commissions, for second constitutional reading.
- Draft law on debtors owing housing mortgages, pending in the Finance Commission, for second constitutional reading.
- Draft law on central trade-union organizations, pending in the Labor Commission, for second constitutional reading.
- Draft law amending Provisional Article 2 of Law 18708 establishing a system for the payment of customs duties and other fees, pending in the Finance Commission, for second constitutional reading.
- Draft law amending the norms governing remuneration for the directors of the ENAP [National Petroleum Enterprise] and ENAMI [National Mining Enterprise], pending in the Mining and Finance Commissions, for second constitutional reading.
- Draft law creating the National Womens' Department, filed for reporting in the next session, for second constitutional reading.
- Draft agreement pertaining to the international pact on civil and political rights, pending in the RREE Commission, for first constitutional reading.
- Proposal on the 27 September 1989 air-transport agreement between the government of Chile and the United States of America and the supplementary notes exchanged pertaining thereto, pending in the RREE Commission, for first constitutional reading.
- Draft agreement approving the Agreement on the Latin American School of Social Sciences (FLACSO), pending in the RREE Commission, for first constitutional reading.
- Draft agreement pertaining to the Paris Agreement on the protection of patents and trade marks, pending in the RREE Commission, for first constitutional reading.
- Draft agreement approving the amendments to the Constitution of the Intergovernmental Committee for European Migration (ICEM), filed for reporting in the next session, for second constitutional reading.

* Resolution of Human Rights Issue Postponed

91SM0035A Santiago EL MERCURIO in Spanish 7 Oct 90 p d-6

[Article by Maria Angelica de Luigi]

[Text] "I'll think about that tomorrow," beautiful Scarlett O'Hara says at the end of "Gone With the Wind," the most popular moving picture of all time.

This is a romantic way of avoiding problems.

"Dumping debts," the banks and the countries which see no solution for their muddled economies call it.

And what name would the politicians give it, when they seek to postpone the spiniest of the issues in the Chilean transition—human rights (DDHH)?

"The ostrich policy," those angry about the decision which seems to dominate within the government and the Coalition for Parties of Democracy [Concertacion].

"Measured consideration," those who agree with it, the majority in the executive and legislative posts, assure us.

Nothing Written or Oral

Whatever it may be called, this is the agenda with regard to the "DDHH issue" ranging from the La Moneda Palace to the political parties and the party representatives in the legislature in Valparaiso.

Some say that it is not a question of an oral or written instruction, but something being passed on tacitly, as a result of the circumstances which "the majority understand, rather than suggesting or accepting."

But nothing in politics is that subtle.

And there have been reports of meetings between the DC [Christian Democracy] and the PPD [Party for Democracy], and between the DC and the PS [Socialist Party], at which it has been "recommended to lower the tone, to avoid creating agitation about the sensitive subject of human rights."

And to avoid this despite the "holy indignation" about the blow struck by the supreme court on the completion of the Coalition program.

That political program promised "investigation, trial, and penalization of the violations of human rights and reparations to the victims," within the framework of the "annulment or repeal of the decree law on amnesty" for the events which occurred prior to 1978.

On the other hand, the emphatic and unanswerable pronouncement by the supreme court, confirmed several days ago, confirms the full effectiveness and constitutionality of DL [Decree Law] 2191 of 1978, which states that the judge must grant amnesty without investigating the events.

La Moneda Palace View

The situation has proved very inconvenient for the government. This blow, it is complained, also left the results of the work of the Rettig Commission, on which so much emphasis has been placed, standing "alone in truth, but without justice."

What can be done? After so many attesting statements and much deep thought, it has been agreed that it is better "to think about it tomorrow." Or more precisely, to think about it in 1991, although there are some who even advocate dragging the subject of human rights until 1993, to make it the battle horse of the presidential campaign.

Why? First of all, because there is no solution at hand now on which there is a consensus. Any outcome at this time would be "confrontational," an adjective which causes a rash at the La Moneda Palace.

"Between the military slogan ('I will not let them touch any of my men') and the leftist theme ('sanctions and punishment for the assassins')," a socialist muses, "the subject continues to be tremendously polarized, and leaves no room for the contemplation of a just and calm solution." A member of the PPD adds: "The military are not even ready to sit down and negotiate the subject, because they continue to maintain their logic of war. And where the left wing of the left is concerned, no party in the Coalition wants to take on the political cost the inevitable anger about an agreed upon solution will mean."

For there are very few who doubt that or oppose the emergence of the solution to the human rights problem via this path, a solution based on a "political agreement on a high level including advocates and opponents, as well as the Armed Forces and the Church."

Influence is also being exerted on the postponement, as a DC member explained, by the determination that "it is not possible to wage all the battles at the same time. There are other pending issues which will have to be seen through to the end—constitutional reforms, the election of mayors, labor reform, and the Cumplido laws. And above all, the budget law, in the threatening international situation which once again has hung the sword of inflation over the head of our economy."

And so the best thing is to "dump" the subject.

The Signals

And the signals that this decision has been adopted are clear.

In fact, the Truth and Reconciliation Commission has already postponed the submission of its report from November to January (which, practically speaking, means March).

And the PPD has plainly been struck my amnesia, with the announcement and then the failure to carry through on its desire to ask a special commission in the Chamber to "study the overall reform of the judicial branch."

Nor was there any desire to probe the wounds, with the political sponsorship, for example, of the idea of "an international judgment of the Chilean dictatorship" in Belgium, with Judge Rene Garcia Villegas participating. This suggestion was dismissed by Minister Cumplido with a peremptory statement. "The violations of human rights committed in Chile should be judged by Chilean courts."

The socialists as well, suffered from a fit of forgetfulness with the failure to carry through in the Chamber on the sensational announcement by the president of that party, Clodomiro Almeyda, making constitutional charges against the supreme court judges.

The Truth, Period

What will be done, then? The submission of the report of the Rettig Commission, in March, will be awaited.

And within what kind of scenario? The best thing at this time, from the point of view of the desires of the government and the moderates in the Coalition, is for the publication of this report to put an end to the human rights issue. That it provide the "truth which is indispensable for reconciliation."

And what about justice?

"Well," a member of the DC explains, "it should be said that within the prevailing institutional system, because there is an amnesty law, it is not possible to do more. All that remains is to respect legality...."

And the family members who are the recipients of a moral indemnification, the assertion of a kind of "official truth" which will admit that "in fact these individuals did suffer violently as a result of the crimes committed against their loved ones" should be reassured.

And also, economic compensation, with the payment of costs, "because in these cases, civil suits are not prohibited." This should be done with scholarships for the children, pensions, etc.—reconciliation measures which would obtain broad agreement from the whole spectrum of political hues.

And not only that. "In order to show that justice is done in Chile," heavy emphasis has now begun to be placed on the clarification and "exemplary" penalties necessary in three of the most terrible cases (excluded from the amnesty law, and by decision of the right wing, also excluded from the "framework of agreement," which it was not possible to get signed). These are the assassinations of former foreign minister Letelier, the national trade-union leader Tucapel Jimenez, and the three communists who were decapitated. Here indeed truth, justice, and punishment are needed.

Enough. Period.

Nothing about continuing to look back into the situation of those who were executed and those who were seized and who disappeared.

Although the most leftist part of the left wing is screaming its demands.

"Because the postponement of the problem will also help to reduce the impact of the exhumation of bodies," a DC

member explains, "and it will allow each agreement reached to be implemented without the pressure of this impact."

The intensity of even the most terrible anguish declines in the end, some argue. And this is what it is hoped will happen with regard to this issue.

The Political Cost

"Because we are indeed very sincere," a socialist admits, "what we are going to have to find is a solution with much truth but little justice, in order to achieve reconciliation."

But as it is a secret to no one that an agreement of this sort has a high political cost, all of the talks will work toward sharing this cost as much as possible. When polled, both the government and the opposition expressed the view that it would be "healthy" to finish with the issue in 1991. Except for those in the Coalition who believe that they would emerge victorious by postponing the subject until 1993. It is the most zealous, but smallest in terms of representation, who propose "pushing the cost violently toward the right," with insistence on the presentation of a draft law which would abrogate or reinterpret the amnesty law, and would be rejected by the RN [National Renewal] and the UDI [Independent Democratic Union].

"The senators who oppose it will have to bear the moral responsibility in the court of history, and they will pay for it with fewer votes in the elections," they say.

But they are in a minority. The majority position calls for putting an end to the problem in 1991 at the latest.

We find here even the socialists, who have the most complicated view of the issue. Not only because a portion of their electoral supporters are to be found among the sectors affected by the pre-1978 excesses, but also because many of the victims were among their own people. It is not, then, simply a question of the greater or lesser political cost. There is also a more profound issue which touches the heart of each militant.

'The Will Is Lacking'

And so the subject of human rights, although there will continue to be forceful statements, will be discussed in a lower tone when it comes to the steps for its resolution.

This tone had already been noted long before this agreement ("which is neither oral nor written"). It was to be seen, for example, when the spokesmen for the Coalition in the executive and legislative branches began to eliminate the words "judgment and condemnation" from their statements, replacing them with "truth, justice, and reconciliation."

These are not the same thing, by any means.

Truth, in this new language, means submission of the report of the Rettig Commission. Reconciliation means pardon. And in view of the pronouncement by the supreme court, justice is now being interpreted as completing the procedure of turning the cases over to the court so that it can proceed in accordance with its exclusive authority. In other words this means, with the implementation of the amnesty law, instead of investigating."

No one, except the left of the left, is continuing to inject demands for the abrogation or annulment of this law. "With very few votes in the parliament—some six or seven IC [Christian Left], PS, and perhaps some very emotional DC deputies. And with no senators at all in the Upper Chamber," we were assured.

In brief, as they say in politics, "there is no longer the will to carry through with the contents of the Coalition program with regard to the very delicate issue of human rights."

Solutions

This does not mean that the theme is dead until next year.

There is another unspoken order. "Go back to filing repeated appeals claiming the inapplicability of this decree law for each new case of individuals arrested who have disappeared, in which the judges are applying the amnesty law without investigation."

Because, it is insisted, the recent Supreme Court judgment "is only applicable to the case in connection with which it was handed down, and is not binding for other cases."

In other words, whenever there is an opportunity, discussion of the matter with the judicial branch will be continued through legal procedures. And, some confide, the court itself may "correct" its judgment in future rulings.

But could it really reconsider and issue a different kind of judgment? Would not it appear to be in blatant contradiction with itself?

"This would not be the first time," some within the Coalition respond with rancor. Contradiction already exists with this very judgment, because it is now asserted that "there was no domestic armed conflict." And how can this be reconciled with the judgments of that same court, wherein to explain the fact that the recourse of sanctuary was not applicable, it was asserted that a state of war had indeed existed?"

Another point on which emphasis will be placed is the announced reform of the judicial branch, including "drastic modifications," as Minister Cumplido has said. But this will not be an issue taken up "come what may," either, but rather, a solution with agreement will be sought.

"The subject of reform of the judicial branch we want to deal with with great consideration and much care," Minister Krauss has stated, going beyond the fact that

the points lying between the positions of the DC and the socialists have not even been properly refined as yet.

In any case, the statement further indicates that before sending this reform to the congress, the executive proposal will go to the judicial branch for its recommendations. And in addition, it is clear that with regard to this issue as well, the government will try to win the support of the opposition for its parliamentary processing.

No confrontational positions—this continues to be the order of the day.

The Armed Forces

Lowering the tone.

Among other methods, lowering it by seeing that the military get the message that the problem of DDHH will be put to sleep until next year. This is thought to be one of the reasons, beyond what has been made public, that the dangerous relationship existing between the government and the Army during the period of the national celebrations may have eased.

They say that the explanation for the calm which followed this storm must be sought in the certainty that the subjects, apart from the "testimonial solutions of a left wing without political weight" will not be in the foreground in the next few months. In order, in the meantime, to attempt to talk....

Because since the clashes on the 18th, it is said, General Ballerino has gone to the La Moneda Palace almost every day. Is there anyone with doubts about whether the most delicate issue in terms of the sensitivity of the uniformed personnel was excluded form his agenda?

"How can the subject of human rights, which was what kept Pinochet in power, be set aside?" a socialist asks. "Because we have already notified everyone that until this matter is resolved, he will continue to remain in the office of the commander in chief."

There are two aspects of the reality which are accepted by the government and the Coalition:

They are effective amnesty and an untouchable commander in chief.

These are two matters, proportionally, of similar or greater seriousness than those considered by Scarlett O'Hara when, in order to avoid continuing to exhaust herself in futile fashion, she chose to say: "I will think about that tomorrow."

The problem of the DDHH will be "thought about" in 1991.

Colombia

Government Takes Measures To Cope With Strike

PA1311190690 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 13 Nov 90

[Text] A few minutes ago, the government announced several measures to maintain control of the situation in the next few hours. This was in response to an announcement by the labor federations of a general strike to be staged tomorrow. Following are the measures:

1. All public employees who join the strike will be fired immediately.

2. Employers are free to fire any workers who join the strike.

3. The government will assume responsibility for any damage inflicted on the buses circulating throughout the country tomorrow.

4. Any intermunicipal transportation enterprises failing to serve the public tomorrow will be penalized with the cancellation of their operations permits.

The government reminded everyone that any person violating these regulations will be subjected to stiff penalties and that Article 17 of the Constitution and Article 290 of the extant Criminal Code will be enforced to the letter.

Dynamite Explosions at Five Gasoline Stations

PA1311193690 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 13 Nov 90

[Text] Several explosions were heard in the the western part of Medellin at 2000 last night. Five gasoline stations in the sector, four of them on the northern freeway, were the targets of the attacks. The stations were attacked in exactly the same way. Dynamite sticks of considerable explosive power were planted in the garbage cans beside the pumps. Apparently, the idea was to spark large-scale fires that could have caused very serious damage. Fortunately, none of the explosions caused either casualties or great damage. A total estimate, however, has not been made yet.

The most serious situation took place at the Texaco gas station on the northern freeway, where a fragment of the destroyed garbage can was embedded in the tank of a vehicle loaded with acetylene. The spilled liquid caused a great fire that engulfed a bus parked nearby. Although no official report has been released on who is responsible for these explosions, everything indicates that the disturbance is paving the way for the announced national strike. No known political or rebel organization has claimed responsibility for the explosions, however.

FARC Allegedly Dynamites Bus; 7 Killed

PA1311235890 Bogota Inravision Television Cadena 1 in Spanish 0100 13 Nov 90

[Text] Five children between the ages of nine and 14, as well as a police sergeant major and an officer, died today when a police bus was dynamited by alleged FARC [Revolutionary Armed Forces of Colombia] rebels. The vehicle was attacked as it was traveling between Algeciras and Campo Alegre in Huila Department. The child victims, who belonged to the juvenile police corps, were returning with the police officers after guarding a bicycle competition that took place this afternoon.

A few minutes ago Police Chief General Miguel Gomez Padilla gave statements on this attack.

[Begin Gomez Padilla recording] Yes, I profoundly regret the murder of the group of children from the youth civilian police patrols who gave of their free time to serve the community, to cooperate with the National Police in all the activities of community life. The National Police will continue to carry out its duty. It will continue to support its oath in search of peace. It will continue with its efforts so that violent persons are not accepted in this country under any circumstances. [end recording]

Situation 'Worsening,' UP Leaders Murdered

PA1411020890 Mexico City NOTIMEX in Spanish 0033 GMT 14 Nov 90

[Text] Police reported today that three leaders from the left-wing Patriotic Union (UP), one 19 April Democratic Alliance (AD-M19) leader, and a labor leader were murdered in southwest Colombia over the past few hours.

According to police spokesmen, the public order situation is worsening as the start of the 24-hour general civic strike, sought by the country's four most important labor unions, approaches.

In Miranda, about 259 km southwest of Bogota, local UP leader Emilia Pardo was murdered. She had received many death threats over the past few months.

In Patia, about 550 km southwest of Bogota, Eyvar Orozco Fernandez, a local UP leader, and a UP activist whose name was not disclosed by the authorities were also murdered.

The national police also reported the murder of regional AD-M19 leader Luis Carlos Troches in Corinto, 270 km southwest of Bogota.

All four murders are being blamed on extreme right-wing groups that operate in the southern Cauca Department, where the three villages are located.

In another turn of events, a Directorate of Judicial Police and Investigations (DIJIN) spokesman reported that German Alonso Arredondo was murdered in Tulua Municipality, Valle del Cauca Department, about 240 km southwest of Bogota.

Alonso Arredondo, the United Workers' Federation (CUT) regional leader, was gunned down in the center of Tulua by two hired assassins who rode a motorcycle.

Over the last few days, Arredondo has been one of the most active leaders in calling for a 24-hour civic strike scheduled to begin at 0600 on 14 November.

'State of Siege' Declared Over Strike

PA1411031190 Mexico City NOTIMEX in Spanish 0223 GMT 14 Nov 90

[Text] Bogota, 13 Nov (NOTIMEX)—The Colombian Government today declared a state of siege [as received] in view of a 24-hour labor strike called for tomorrow by the labor unions, and confined 240,000 members of the Armed Forces and the National Police to their barracks.

The strike was called by the General Confederation of Labor (CGT), Confederation of Colombian Workers (CTC), Confederation of Democratic Workers of Colombia (CTDC), and United Workers Federation (CUT).

The unions, which encompass some 3 million workers, according to official reports, are demanding a change in economic policies and in President Cesar Gaviria Trujillo's policy to privatize state-owned companies.

The government today banned all kinds of strikes, demonstrations, and marches throughout the country "to avert public disturbances" that could take place as a result of a work stoppage.

In a decree published under the stage of siege that covers the entire country, the government also banned all radio stations from reporting on the strikes and marches that could take place.

It also announced that any reports on strikes and marches will be issued by the Communications Ministry's Press Office.

President Gaviria threatened to fire public employees who support the strike, and authorized businessmen to annul their contracts with any workers who fail to show up to work tomorrow.

According to a presidential communique, the workers who participate in the marches called by the country's four labor unions could receive jail sentences of between six months and six years.

The labor unions that participate in the strike will lose their official status for 12 months, and all of their bank accounts will be frozen for 12 months if their members do not go to work tomorrow.

Representatives of the 250,000 teachers who are members of the Colombian Federation of Educators (Fecode) announced they will support the civic strike, as will some

18,000 workers of the 230 banana plantations in the northwestern part of the country, 15,000 workers of the State Telecommunications Enterprise, and 11,000 workers of the National Federation of Banking Labor Unions.

Over 10,000 doctors of the Social Security Institute and the Health Ministry also announced they will join the strike, along with 22,000 judges and workers of the judiciary branch.

Other organizations, such as the Federation of Metal Industry Workers (Fetramecol) and the Federation of Petroleum Workers (Fedepetrol), will also support the strike.

The workers will also protest because in his first 100 days of government the president authorized increases in the prices of gasoline and other fuels, as well as electricity, water, transportation, school tuition, and real estate.

University students, who today burned vehicles near the National University (UN) and clashed with the Bogota Metropolitan Police, will also join the workers' protest.

Radio Lists Government Decrees To Face Stoppage

PA1411034490 Bogota Radio Cadena Nacional in Spanish 0250 GMT 14 Nov 90

[Text] Bogota—The government of President Cesar Gaviria Trujillo today issued five [as heard] decrees to face a civic stoppage called for 14 November and exert control over everything from public order to the information broadcast over radio and television.

Through Decree 2744, the government ordered the National Transport Institute, INTRA, to supervise the dispatch of public, intercity, and passenger services to ensure that the government receives detailed information on the rendering of these services.

Decree 2745 gave mayors the power to ensure the full operation of urban transportation in the municipalities.

Decree 2746 established a contract between the Finance Ministry and the La Previsora Insurance Company to insure public service vehicles operating normally between 13 and 16 November, inclusively.

Decree 2747 states that the legal status of labor unions and federations that order, organize, lead, promote, support, or encourage in any way—outside the framework of the law—the total, partial, continuous, or staggered stoppage of normal work activities will be suspended for up to one year.

More on Measures Against Strike

PA1411041090 Bogota Inravision Television Cadena 1 in Spanish 0236 GMT 14 Nov 90

[Italicized passages are recorded]

[Text] The national government has adopted drastic measures that seek to avert the 14 November civic strike. The measures are included in four [as heard] state of siege decrees. The measures will guarantee public transportation and the nonparticipation of workers and unions in the protest activities, and will control the media.

In the evening hours of 13 November, the government declared illegal the civic strike called for 14 November by the country's labor unions. The government also established a 72-hour insurance for the public service vehicles that are damaged by the agitators.

Likewise, the government warned it will cancel the routes and licenses of the companies not providing transportation services. Public and private employees, as well as the labor unions participating in the strike, will be penalized. In addition, the government decided to suspend all public demonstrations until further notice. Anyone ignoring this order will be arrested for one to 30 days.

It was also announced that the state security forces will be restricted to quarters as of the night of 13 November to guarantee national public order.

[Government Minister Julio Cesar Sanchez] *A decree has been issued to protect public transportation drivers so they will be able to provide normal service on 14 November.*

The government also decided that radio and television stations will require the government's authorization to broadcast any reports on the strike. Tonight the government announced Decree No. 2748, which imposes restrictions on the media concerning reports on the strike.

The way things appear now, it looks as if the protest movement will begin at 0000 [0500 GMT] on 14 November, although the participants will be divided.

Many meetings began very early on 13 November in the various labor union offices. In the afternoon, when everything seemed to be ready, the division within the CUT [United Workers Federation] became evident. In an independent manner and behind closed doors, its leader called for a meeting with the national government.

[Unidentified labor leader] *We want to announce quite clearly and in great solidarity with the CUT members that we respect their decision to negotiate with the national government. However, the three other unions, along with the Confederation of Pensioned Workers and the National Association of Rural Land Users, will not attend these meetings.*

However, the government said that the workers did not heed reason and insist on some of their demands.

[Labor Minister Francisco Posada de la Pena] *The government has explained to the labor unions that it is ready*

to listen to their points of view, which will definitely be considered by the Congressional commissions and in a full session of Congress.

We had planned now to present the workers' opinions, but in view of the legal measures ordered on 13 November by the national government, we will abstain from doing so.

President Gaviria Speaks on Strike

PA1411050690 Bogota Domestic Service in Spanish 0306 GMT 14 Nov 90

["Speech to the nation" by President Cesar Gaviria Trujillo from the Narino Presidential Palace in Bogota—live; broadcast in progress]

[Text] ...one hundred days have gone by since we welcomed the future amid the hopes of millions of our fellow countrymen. Throughout these 14 weeks, we have laid the groundwork for the serious transformation that has been and continues to be our commitment to the country and to the new generations. We want to lead Colombia through smoother waters on which we can successfully sail into the 21st century.

In these 100 days, we have made so many decisions and we have taken so many initiatives to Congress that we have heard comments to the effect that we want to embrace too much. However, that was what we promised, a shake-up. That is what Colombians wanted and that is exactly what we are doing.

Among the decisions we have made, perhaps the most significant one, the one with the most far-reaching consequences for the future of our nation, is the one that made the wishes of voters on 11 March and 27 May come true. They voted to reform the Constitution by means of a National Constituent Assembly.

In December, millions of votes will once again fill the ballot boxes in support of this process. Voters will make their decisions with responsibility, with seriousness, and with all the maturity required of the historic circumstances in which we are living. They will vote to convene a constituent assembly, and I am sure they will choose the best people to this 70-member group.

The government will strongly oppose institutional changes that result from intimidations, kidnappings, or threats. That is why, once again, I demand the immediate release of all kidnapped journalists and the dozens of people who have been kidnapped by criminal organizations. Those who are holding them against their will in a violent manner represent the past. The country does not want this past of violence. Security organizations, the Armed Forces, and the police will take actions to prevent these types of crimes, which intimidate the nation.

The entire process of political transformation is being accompanied by a package of bills, which we have submitted to Congress. The package covers a wide range of reforms to our institutions and to our reality. We announced these initiatives throughout our campaign, and we explained them in detail on 7 August. Voters supported these initiatives, which are now being carefully reviewed by both chambers of Congress.

Undoubtedly, there are aspects of this modernization and renewal process that are worthy of a special mention because they are aimed at preparing Colombia for new internal and external realities. Some of these initiatives deserve special attention today. First, we have to mention the strengthening of our judicial system. It includes the creation of new procedures to deal with criminal organizations. For years, the justice system has been weakened by the actions of terrorists, by corruption, and by intimidation and violence. Our response to terrorism will be one in which the justice system will be enforced with the full weight of our laws and with strict observance of the rights of those who are being prosecuted.

Several bills are being studied by Congress. The decrees that were dictated by the government had the support of most citizens. Today, however, I want to discuss two of the initiatives: labor reforms and the opening [la apertura].

The organizers of the strike argue that Colombian workers must go on strike to protest the opening and the labor reforms. Even though important labor leaders have disregarded the order to strike and have called workers to their jobs, I want to explain each one of these initiatives so that citizens clearly understand them and so they can reach the conclusion that the strike is an unjustified result of the political intentions of some labor leaders.

Undoubtedly, one of the most important and far-reaching projects is the labor reform, which has been favorably accepted by large groups in the nation. However, it has created an unjustified reaction from labor unions.

This is a balanced project that seeks to give flexibility to the labor legislation and replace norms that were designed for a radically different country; that is, the Colombia of the mid-1950's.

As for collective rights, the reform brings undeniable progress for the working class, because it protects and encourages union activity, which should be one of the pillars of the democratic system.

I understand that there are some aspects of the project that could—only in theory—trouble the workers. This is the case of the changes introduced to the severance pay plan. In this regard, we must say that such changes in no way undermine the rights already acquired by those workers who have been under the current severance pay system.

The reform seeks to ensure that the accumulated severance pay of future workers will be transferred to severance pay funds which would be administered by entities that would pay them the yields they produce. This

reform would guarantee minimum dividends that would be much higher than those they now receive in the form of interest paid on severance pay funds.

That money would be guaranteed by the national fund of guarantees of financial institutions, and not as today, when the sole guarantee is the credibility of each employer. There should therefore be no fear over the handling of this money, because such funds would also be under the watchful eye of the Bank Superintendency and managed under a set of investments regulated by the National Stocks Commission, to ensure that this money will not only yield higher dividends for the workers, but will be much more secure.

In addition, with the help of established severance pay, which is nothing more than another form of unemployment insurance, the new severance pay system seeks to give true protection to those who lose their jobs. Workers would thus have an efficient system with which to defend themselves during the time they are unemployed.

Moreover, and it is important that Colombian workers understand this, in addition to this mechanism to protect them from unemployment, the government is committed to an exchange rate, financial, and foreign trade opening with which we aspire to reach growth levels that are much higher than the average of 3.6 percent by which our country grew in the past decade.

As a result of the decisions made during the past weeks on foreign trade, and also thanks to the draft bills on these issues that the Congress is studying, we will guarantee that exports will vigorously promote growth of the Colombian economy. In sum, we are already taking the necessary steps to reach the objective of producing more, exporting more, and creating more and better jobs.

In the same vein, the project includes a very important provision that pertains to a grace period of up to 10 years, which would be granted to companies opening new production units or economic exploitation plants for the purpose of industrial decentralization, exports, social interests, or rehabilitation of depressed zones. In such cases, and after the National Department of Planning issues its opinion, these companies would not be considered as a unit, and as a result, the labor benefits rendered by the headquarters would not be fully applicable at the new branch. This would undoubtedly encourage investors and create new jobs.

The proposal contained in the project to make the now rigid labor hours more flexible will also favor the creation of jobs. The idea is to ensure—without adversely affecting the regular minimum salary or salaries agreed upon in collective agreements—that the establishment of shifts allowing continuous work as long as each shift is not over six hours per day or 36 hours per week will be freely agreed upon.

Another door that is opened is the possibility that businessmen and workers will be able to agree on a salary, which, besides containing regular remuneration, will include the value of labor benefits in advance. This integral salary model will be reserved for executives, not laborers; that is, for those who earn more than 10 times the minimum salary.

The reform project also aims to establish the conditions for true labor stability. The old and obsolete norms of the Labor Code were decreed in very good will with those objectives in mind, but the country has changed greatly since then. The truth is that today those norms are creating great job instability. The so-called stability clause, which aims to protect workers with more than 10 years of service, is producing more than 100,000 dismissals each year from among the people who are about to reach that mark.

In addition to the dismissals, these types of norms have become a real obstacle in generating jobs. Therefore, our old labor legislation, the one we want to change now, not only causes dismissals, but also prevents new jobs from being created. Everybody has the right to a decent job and no law—as well-founded as it might have been when it was conceived—is justified if it becomes an obstacle to this right. The current policy on being fired is another example of a negative aspect of the current labor law.

The approved pensions are not justified in some regions and are another setback for workers striving to get a permanent job status. Ending these measures—without detracting from those who have already attained rights in this respect—is a necessity that cannot be postponed.

Also, the program discourages the hiring of workers through temporary employment agencies because it only allows work contracts for one year. The program also has options that promote the concession of extralegal benefits. Today, the current legislation prevents employers from providing benefits because they fear that these benefits will become added benefit obligations. We must allow benefits, but we also must have laws that will say that benefits are not part of the worker's salary and, thus, will not prompt added benefit obligations.

It is very important that we understand that despite the program's evident benefits, the government has never attempted to be perfect. We have heard opinions and accepted suggestions. I am convinced that the debates being held in Congress enrich the reforms and have, in fact, enhanced them. The workers' federations know about these ongoing debates.

This has not only happened with labor reforms. Tax reforms have been enhanced too, and workers' federations at the third senate commission attained an agreement concerning family compensation in the social housing program.

After reviewing the labor refomrs as I have just done, it is easy to understand why important union leaders have said that they do not agree with the announced 14 November strike. It is also easy to predict that the most

Colombian workers, who have started to understand the true social reach of the reforms, will not accept the this strike.

The strike also rejects the government's policy on openness. I want to explain this before I talk about the measures we have taken for the strike on 14 November. Colombia has initiated one of the most important economic reforms that we can recall. We are talking about the internationalization of its economy. The current world is in the midst an integration process and Colombia cannot be detached from it. We can learn to export as did the nations that used to be behind us and now are way ahead of us. We must specialize in exporting the products that we have and those we know how to produce efficiently. Traditionally, Colombia has had inefficient firms, whose operating costs are much higher than those of similar companies in other countries. Therefore, to export a Colombian product with the costs of our ports and with our inefficiencies means that our exports are more expensive than those of our neighbors. To overcome this gap we must be efficient. To get the benefits of exporting Colombia must strive to be competitive, must have more efficient services, increase jobs, and decrease costs. All this has been reached by countries that opened their economies.

I now want to briefly explain three fundamental matters concerning the strike. First, what the government is doing to avoid the strike. Second, what measures have been taken by the government to allow citizens to go work. And third, I want to talk about the measures that were taken to guarantee order and public tranquillity with the firmness and calmness called for by the situation.

The government has done its utmost to avoid the strike. The government's economic team composed of the labor, finance, development, and the agriculture ministers, and by the chief of the National Planning Department, has met on various occasions with the labor union leaders to explain the initiatives being promoted by the government and to review the reasons they have to go on strike. I have been personally visited by the leaders of the workers' federation and we held a cordial exchange of opinions on the transformation process that the government is promoting. I was with the United Workers' Federation representatives until just a few minutes ago. We were trying to find ways to stop the strike.

The language used was never aggressive or radical. On the contrary, it was characterized by the open attitude of the current government, but nevertheless, the labor unions decided to proceed with the strike order, even though important labor union leaders have decided not to. What the labor unions want is for the government to forget about those initiatives for which the Colombian people voted because they want our country's modernization.

The government is convinced that there are no valid conditions or reasons that justify such a decision. The government is aware of the fact that the vast majority of the workers reject the stubborn attitude of a sector of the labor union leadership. Therefore, the government has issued measures that will guarantee that tomorrow will be a day of work and not a day of conflict and violence.

I am referring to violence, because many sectors that have absolutely nothing to do with the workers might be interested in taking advantage of the day to achieve their destabilization goals, as occurred in October 1988, when a strike similar to the one that is planned for 14 November concluded when power pylons were blown up and half of the country was left in darkness, when bridges were blown up and Uraba and other areas were left isolated, and when there were other attacks against the national economy and resources. At that time, several bridges and railroad tracks were blown up with dynamite.

In spite of the generous proposals by the government allowing them to join the path to peace to defend their ideas through peaceful means, some guerrilla movements, such as the FARC [Revolutionary Armed Forces of Colombia] and the ELN [Army of National Liberation], have already supported the strike in some regions. They are inciting people to disorder, and have taken advantage of the prevailing strike situation to attack towns. The government offered them the possibility of a dialogue through a high-level commission. The government also offered them the possibility of international mediation in order to supervise the peace process.

The government offered to ratify several international treaties, such as the Geneva Treaties. The government also offered the members of these groups their participation in the National Constituent Assembly with the cooperation of the political parties, so long as they were in the process of demobilization.

To this they answered with murders, kidnappings, destruction, and slaughter, as in Taraza, where Lieutenant Colonel Jaime Fajardo Cifuentes, several officers, noncommissioned officers, and soldiers were killed.

To the generosity of the Colombians, the guerrillas answered yesterday with the cowardly murder of six junior policemen in Algeciras, and with the attacks in Villavicensio, Cali, Tulua, Bucaramanga, Barranquilla, and Medellin, and in Cesar and Boyaca Departments. The guerrillas also seem to prefer a past of violence and murders to a future of peace and modernization.

However, the majority of the citizens, those who abide by the law, those who earn their living through honest everyday actions, do not want a change imposed by the force of bullets, but through reason and peace. The government has always been willing to hold a dialogue, and it has been quite clear in saying that the dialogue will be the result of specific actions of peace. Under no circumstances can a dialogue be held with groups that insist on barbaric actions.

We will do everything we can to prevent all actions that disrupt public order. The government minister has already issued orders so that the governors and regional officers will guarantee public order and will be in contact

with the national government in the event of any emergency. For their part, the military and police authorities are prepared to guarantee the protection of the citizens and the public services installations. We have decided to issue a series of measures by virtue of the state of siege regime.

Some of these measures were effective in deactivating the October 1988 strike. Undoubtedly, the most important one has to do with the establishment of an insurance that covers all urban and municipal transportation vehicles in the event of any damage. This insurance will be valid for 72 hours throughout the nation, and it offers the workers sufficient guarantees so that absolutely all buses and mass transportation vehicles will be able to travel on 14 November on their routes in the cities and rural areas.

Through a presidential directive and a communique from the Presidency of the Republic, we have reminded the people of the regulations included in the current labor and penal codes that establish penalties ranging from fines and dismissals up to the arrest of those who participate or incite others to participate in the strike.

Anyone who makes use of violent or deceitful maneuvers to remove workers from their job sites or uses those same means to disrupt or prevent the free exercise of work activities will be penalized with an arrest lasting from six months to three years and a fine ranging from 2,000 to 20,000 pesos. These fines could be increased by one-third if work is suspended as a result of these illegal actions. We have also reminded people there are prison terms ranging from six months to six years and fines from 5,000 to 50,000 pesos for those who destroy, damage, or remove tools from job sites.

Public employees are reminded that their superiors are authorized to dismiss them or terminate their job contracts if they abandon or suspend their work without any prior authorization, or if they participate in any manner in strikes or stoppages.

Private employees and entrepreneurs are reminded of the penalties of dismissals or termination of work contracts for those who might participate in strikes and stoppages that have been declared illegal, which is the case for 14 November.

As is to be expected, the police, the Army, and the security organizations are on a state of alert and prepared to protect the citizens. The members of the Armed Forces will be in the streets, maintaining tranquillity and order and watching over the safety of the Colombians who go to work.

I feel sure that they will work in a professional, firm, and calm manner. The best way the people can express their rejection of the strike and the past of violence is by going to work. We must all show we have a commitment to peace and order by going to our jobs tomorrow. Anyone who stays home is collaborating with the organizers of the strike. The majority of the citizens cannot allow a small minority to paralyze the country.

Colombians: We are on the threshold of a reform of major proportions with the active participation of all of you. We have already initiated the construction of tomorrow, of a future that is here today. I know that this feeling is shared by the vast majority of our fellow countrymen. I know they understand and support the current reorganization of our institutions and a new situation that will one day prevail in a prosperous and peaceful nation.

Therefore, I have no doubts that now that we have started the journey toward a greater, more profound, and more participative democracy, very few people will try on 14 November to bring the country to a standstill. No one will stop this country now. The locomotive of renewal and change has started to move in these 100 days, and it will continue moving in the days ahead.

Thank you and good night.

Gaviria Says Most Workers, Unions Reject Strike

PA1411134690 Bogota Radio Cadena Nacional in Spanish 1213 GMT 14 Nov 90

[Address by President Cesar Gaviria at the Narino Palace in Bogota—live]

[Text] Colombians, last night I addressed you on radio and television to report on the first 100 days of this administration, to express the government's views concerning the risks created by the unjustified strikes that labor unions have scheduled for today, and to announce measures that the national government has been forced to adopt to guarantee that this will not be a day of conflict, hatred, and violence, but one of work and peace.

I rose very early as usual and reviewed the situation in various areas of the country. I can tell you that the great majority of workers set out very early for their jobs, and that the government has been able to guarantee public transportation to work places.

All of the national, regional, and local authorities have closely followed the instructions issued on 13 November, and I can assure you that we are capable of guaranteeing the Colombian people's inalienable right to work today.

I know the workers will maintain an attitude of solidarity and democracy throughout the day, and will categorically reject the destabilizing activities and subversive barbarianism that over the past few hours has claimed the lives of a group of children who were organizing a bicycle race in Huila.

I know that workers will report to their jobs today because they are aware of this historic moment which, as never before, has opened the doors to reconciliation, the

most profound transformations, and the greatest renovation of our institutions through the national constituent assembly, to which Colombians will elect delegates on 9 December.

There are many unions in various regions of the country which have refused to strike. This attitude is brave and is explained by the fact that millions of workers do not understand how the unions can attempt to organize a strike against a policy that I announced and explained during the electoral campaign, and which thousands of Colombians voted in favor of in two elections. It is not solely the government's desire to succeed in transforming and modernizing our economic structures. The Colombian electorate has also expressed this desire.

Let us all get to work, then. We must not for a single instant halt the process of building the future of a fairer, more prosperous, and peaceful Colombia. Thank you very much.

'Extraditables' Vow Not To Release Hostages

PA1311191190 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 13 Nov 90

[Text] Public order has been seriously altered in Antioquia. A letter by the "Extraditables," the group holding nine reporters and others captive, was made made known at noon today. In the letter, the "Extraditables" told Dr. Juan Gomez Martinez of the government comission the following: We are holding reporter Maruja Pachon as a response to the tortures and kidnappings perpetrated in Medellin a few days ago by the same government security agency that we have mentioned mnay times in previous communiques.

The "Extraditables" said that four of their group were arrested by the DIJIN [Directorate of Judicial Police and Investigations] this weekend. They also said: We will not release the hostages as long as looting, murder, and massacres perpetrated with government arms and the people's money continue.

Ecuador

Alfaro Lives Guerrillas To Surrender Weapons

PA1011202490 Hamburg DPA in Spanish 1719 GMT 10 Nov 90

[Text] Quito, 10 Nov (DPA)—The Ecuadoran guerrilla group Alfaro Lives, which ended its armed operations at the beginning of 1989, announced today that it has decided to surrender its weapons before the end of November and it has demanded international oversight for the process.

"In the next few days," delegates from the rebel group, which wants to become a legal political party, will be traveling to various American and European countries to arrange for monitors to oversee the process, according to a communique issued by the former guerrillas.

The communique, which is signed by Juan Cuvi and Edgar Frias—two of the group's best known leaders—says that Alfaro Lives "is doing everything possible to fulfill its offer to surrender its weapons, in spite of the difficulties that a process of this nature represents."

In March 1989, after the military defeat of the group between 1985 and 1988, after its leaders died and its cells were fragmented, the guerrillas reached a peace agreement. As a result of this agreement, they indefinitely suspended their armed action, but the group did not deliver its weapons. It is not believed that the group has a significant amount of weapons.

Initially, Alfaro Lives had proposed delivering the arms to the Andean Parliament, but today's communique does not mention that. It refers only to "governments and international parties and organizations interested in the Ecuadoran peace process."

The former guerrillas have also reiterated their position in favor of initiating a "grand national dialogue" to search for and "to agree on" solutions for the most significant problems of Ecuador, including the recession, lack of mechanisms to express political positions, and the situation of the Indians.

Paraguay

PLRA Elects Leadership in 1st Direct Election

PY1211140490 Asuncion ABC COLOR in Spanish 12 Nov 90 p 2

[All figures as published]

[Excerpt] Dr. Juan Manuel Benitez Florentin, a "Change for Liberation" movement candidate, has been elected president of the Authentic Radical Liberal Party (PLRA). In the first direct election held by the PLRA, Benitez Florentin won more than 80 percent of the votes. The election, which took place yesterday, was held in total normalcy. The final results will be released today but the votes from the interior of the country, which are still being reported, are not expected to change the overwhelming majority won by Benitez Florentin.

During the election, absenteeism ran as high as 84 percent. The second largest number of votes was won by the "People's Movement for Change," which sponsored the candidacy of Dr. Miguel Abdon Saguier, who is expected to win 13 percent of the votes.

According to the D'Hondt system, the 45-member party board—including 15 rural representatives—will be made up only of members of the [former PLRA President Domingo] Laino- and Saguier- led sectors. The percentage of votes won by the "progressive" sector and the Carlos Alberto Gonzalez-led sector is not expected to be enough to win a seat on the board.

The counting of votes in 187 electoral districts for 233 localities in rural areas and other countries and in 23

committees in Asuncion showed that 55,127 out of 312,000 registered members voted, pushing absenteeism to 84 percent.

Of the 55,127 votes, 44,411 were for Benitez Florentin (80.56 percent), 7,072 for Saguier (12.83 percent), 1,554 for Dr. Augusto Brun (1.55 percent), and 1,060 for Dr. Carlos Alberto Gonzalez (1.06 percent).

There were 230 blank votes, which represents 0.42 percent of the votes, and 800 invalid votes, which is equivalent to 1.45 percent of the votes. [passage omitted]

New Leader Outlines Platforms

PY1211164890 Asuncion ABC COLOR in Spanish 12 Nov 90 p 2

[Text] "The percentage of votes that we won is seldom obtained in politics. It represents a major responsibility; it also gives strong legitimacy to this board and substantial support for working together to make the PLRA [Authentic Radical Liberal Party] an alternative for power in 1993." This statement was made by Dr. Juan Manuel Benitez Florentin, the new PLRA president, a few minutes after learning the results of the election held yesterday.

The new president said he will promote active participation by all party factions and he will try to consolidate the unity of the entire liberal family. ABC COLOR was the first to learn from him that he had talked with Liberal Party President Reinaldo Oddone, who reportedly promised him that if he won the internal PLRA elections, the efforts to attain a much desired unity among the Liberals might succeed "even before the municipal elections."

Benitez said preferential attention will be given to committees in rural areas and relations with party members living abroad will be promoted.

Benitez also promised to modernize the party management system to meet the demands of the 400,000 or 500,000 party members in the interior of the country.

From the viewpoint of party activities in the country, he stressed that the PLRA will remain open to accords with other political and social sectors. He added that he has not ruled out the possibility that the party may run in the 1993 elections "as part of a national coalition with a national project, led by the PLRA and made up of parties of all political leanings."

Concerning land reform, he said guidelines will be set to urgently solve the problem of landless people. "We must design a land reform model, perform a reliable census of landless peasants, and prepare a national estate ownership registry," he said.

When we asked him how he would get the funds to implement land reform, he replied: "The funds can be obtained through the national budget, but we should not rule out the possibility of obtaining them through foreign credits. Tax reform will be implemented through an expansion of the range of taxable assets in order to properly allocate budget resources."

He proposed an agriculture and livestock project to reduce unemployment. "Private investment should be promoted, and the industrial sector should receive stronger political support," he noted.

Suspect in Chilean Financial Scandal Extradited

PY1211014090 Asuncion NOTICIAS in Spanish 11 Nov 90 pp 10, 11

[Text] Former Chilean Army Captain Patricio Castro Munoz, charged with homicide and the misappropriation of $1 million through the La Cutufa financial company, has been arrested by the Paraguayan police and sent to Chile. It appears that Castro has been living in Paraguay ever since he fled Chile using a false identity.

The rumor that former Chilean Army Captain Patricio Lorenzo Castro Munoz had secretly entered Paraguay after escaping from Chile has been fully confirmed. Castro was extradited to Chile yesterday. He left on a regular Ladeco [Copper Airlines] flight at 1855 yesterday escorted by three Chilean police officers who had come especially to take him back to Chile.

The Paraguayan Metropolitan Police issued only a brief report on the arrest and expulsion of the former Chilean military officer, whom they described as a La Cutufa boss, without giving any further details. It is known, however, that Castro was arrested in San Bernardino, where he had been renting a posh house for 150,000 Chilean pesos—approximately $600—per month. Information was also leaked to the effect that Castro had been held at the Tacumbu National Penitentiary until he was taken to Silvio Pettirossi International Airport at 1400 by the three Chilean policemen.

The Paraguayan interior minister officially notified his Chilean counterpart on 8 November that Castro had been arrested. This prompted the trip by the three Chilean policemen to pick up the prisoner. This task was accomplished yesterday and, according to news agency reports, Castro arrived in Santiago at 2015.

Castro Munoz, 35, who achieved the rank of captain in the Army, is charged with being involved in a financial scam in Chile and of being the mastermind behind the murder of merchant Aurelio Sichel, one of the partners in La Cutufa, a secret financial organization that granted loans at usurious interest rates and in which several generals were involved. Sichel was murdered in mid-1989 when he asked for the money that he had paid into the partnership. It has been said that Castro brought $1 million to Paraguay.

Patricio Castro has also been charged with sending bodies of Chilean soldiers who died during the 1879 Pacific War stuffed with cocaine to the United States and Europe. Now Castro will have to face these charges

in a Chilean court, and he will be judged by the so-called "iron judge" [Marcos Libedinsky], the same man who was in charge of the Letelier case.

Japanese Exempt From Compulsory Consular Visa

PY0911173090 Asuncion ABC COLOR in Spanish 9 Nov 90 p 10

[Excerpt] Yesterday President Andres Rodriguez signed Decree No. 7691 under which Japanese citizens will be allowed to enter and remain in the country with a legal passport, but without the need for a consular visa.

The decree states that the consular visa will be necessary for Japanese citizens who will definitively stay in the country. The suspension of the visa requirement does not exempt Japanese from being subject to the laws and regulations applied to foreigners as far as their entrance, stay, and residence, and the exercise of independent, profitable and paid activities are concerned.

The decree also establishes that the suspension of the visa to enter the country also exempts Japanese from the compulsory visa to leave the country.

Peru

Fujimori Speech Addresses Subversion, Terrorism

PY1411125290 Lima Television Peruana in Spanish 1100 GMT 13 Nov 90

[Excerpts] President Alberto Fujimori has delivered a speech at the closing ceremony of the 30th Intercampus Meeting. The meeting, which was entitled Structural Violence and Pacification of Peru, was attended by Prime Minister Juan Carlos Hurtado Miller and some congressmen.

[Begin Fujimori recording] As you know, my administration results from the rejection by the real Peruvian people of the frivolity, corruption, and ineffectiveness of the traditional political sector, of state bureaucracy, and of violence.

Those who voted for me are just like the Shining Path in that they are tired of this false Peru; of judges that can be bribed; of criminals who—after stealing from thousands of innocent people interested in saving their money—choose to exile themselves to better enjoy the money obtained illegally; of drug traffickers who live in luxury jail cells; of fugitive deputies; of corrupt high-ranking officials who are not punished; or of congressmen who hit each other or stage hunger strikes at Congress. In Summary, they reject the folly, cynicism, prepotency, and vanity of those who supposedly represent a legal and official Peru. [passage omitted]

The real Peruvian people complied with the requirements of democracy, but they voted with a great and burning rage. Like the Shining Path, these people are protesting against these errors. Their protest, however, is not translated into criminal violence. Their protest is translated through their fervent vote.

There are two forces that have rebelled against the crisis of this social system, they are the forces of subversion and informality: One sector, fundamentally represented by a sect, seeks to destroy and dismantle this state and this social order, the other force—informality—peacefully infiltrates the formal and legal order. [passage omitted]

I want to re-establish the order and the authority of the state and I want to re-establish respect for justice and national interest. When I started to do that, however, I could immediately feel the negative reaction of groups and sectors that do not want to give up any fraction of their power or one inti of their fortunes.

Important sectors of our bureaucracy, the political sector, and some oligopolic businessmen act as if they were not aware of how serious the Peruvian crisis is. Some continue to act as if they were living in the Peruvian society of 50 years ago and believe that they are sacred cows. In Peru, the administrative measures aimed at organizing and moralizing the system are always colliding with these sacred cows. Non-productive bureaucrats are among those sacred cows. [passage omitted]

We must implement a complete reorganization of Peruvian universities where order, discipline, the principle of authority, and devotion for the studies will become indispensable elements. The universities cannot shelter terrorist groups nor intellectually promote subversive violence.

My administration believes that the current legal system, which is adequate for a peaceful and normal situation, is inappropriate for effectively fighting the terrorist phenomenon that affects our society. This is why we believe that in these difficult times we need rules that are convenient for a state of law, but that always strictly respect human rights. All this, however, calls for our relentless inflexibility in investigating and punishing the excesses that may occur under the excuse of an antiterrorist fight.

Ladies and gentlemen, we can only leave for our children and their children a free and powerful nation—similar to that which the founders and most illustrious citizens dreamed of—if we use lucidity and perseverance in fighting fanatical violence, and responsibility and a sense of future in drafting a scheme of development with justice. I declare this Intercampus Meeting closed. Thank you. [applause] [end recording]

Shining Path Leader To Appeal 20-Year Sentence

PY1311133190 Lima Television Peruana in Spanish 1100 GMT 13 Nov 90

[Excerpts] Osman Morote, the Shining Path second-in-command, will have to pay a 2-billion-inti fine. He has been found guilty of terrorism and murder. [passage omitted]

Following a 106-day trial, the special court presided over by Judge Antonio Urrutia Carrillo sentenced Osman Morote Barrionuevo—alias Comrade Remigio—to 20 years in jail and fined him 2 billion intis for damages to the state. Morote was found guilty of terrorism and crimes against public faith [delitos contra la fe publica].

The special court also sentenced Nina Sorial Varado Ruiz to 18 years and fined her 500 million intis for damages to the state. Teofilo Carrizales Galindo was sentenced to 10 years in jail and Alberto Mujica Contreras to 15 years. The three were also found guilty of terrorism. After hearing their sentences, they said that they will appeal to the Supreme Court. Judge Urrutia said that they have the right to do so, and gave them 24 hours to present their appeals. [passage omitted]

* Views of U.S. Drug Trafficking Aid Differ

'Burdensome Donation'

91WD0041Z Lima EL COMERCIO in Spanish 6 Oct 90 p A4

[Excerpts] Negotiations with a view to signing an agreement on combating drug trafficking between Peru and the United States were first pursued on the military and then on the diplomatic level, in the foreign ministry. In the end, President Fujimori announced that our country would not sign the document. Some daily newspapers in the United States have treated this refusal lightly, attributing it to an alleged tolerance, to say the very least, of the drug traffickers. But we have obtained from generally well-informed sources an account of the real reasons for the Peruvian refusal. If the facts we are reporting are confirmed, the attitude of the Peruvian government would be fully justified. It is not a question of money, but of principle. [passage omitted]

Reason for Rejection

In an address delivered to the American Chamber, with the ambassador of the United States, Mr. Anthony Quainton, present, the president of Peru, Engineer Alberto Fujimori, stated that the government in Lima would not sign the agreement proposed by Washington for combating drug trafficking.

Some press organs in the United States, THE WASHINGTON POST, in particular, treated the matter lightly, failing to look into the reason for the Peruvian position.

The background for the announcement by President Fujimori is said to have been the opposition on the part of the Joint Command. Why? Well...because the $35.9 million offered to Peru for the battle against drugs came in unacceptable gift wrapping.

Let us see why.

A Conditional Offer

A donation is a gift, a liberal action, a voluntary contribution.

It may be the subject of a contract or an agreement.

But in this case, it is pertinent to speak of a "burdensome donation," a situation in which the donor imposes upon the recipient conditions which must be accepted, with failure to do so leading to cancellation of the donation contract.

But a burdensome donation between governments, depending on the nature of the conditions, can become an act injurious to the sovereignty of the recipient country.

This is the case here.

Penetrating the secrecy of the discussions on the military and diplomatic levels, for example, it has been learned from a reliable source that the government in Washington asked Lima to sign a promissory note for a sum equivalent to the amount of the gift, or in other words, $35.9 million.

If Peru were to fail to implement any clause in the agreement, the government in Washington could unilaterally collect on the promissory note, plus the interest involved. Peru would have to agree specifically to surrender the right to any claim.

The above would suffice as a justification for the refusal. But there is more.

Foreign Jurisdiction Imposed

The agreement would require Peru to accept the jurisdiction of the courts of justice in the United States in exchange for the $35.9 million, should any suit arise, thus surrendering Peruvian jurisdiction.

In addition, Peru would have to agree to allow the U.S. authorities to pursue investigations on our territory, and to reveal our files, reports, and government instructions. Also, Peru would have to make Peruvian citizens, both government employees and civilians, available to the U.S. courts for any investigation on the territory of the donor country, that is to say the United States.

What rights would be granted to Peru?

None.

The Cartagena Declaration

The Cartagena Declaration signed at the summit meeting on 15 February 1990 by the presidents of Peru, Colombia, Bolivia, and the United States provides for

agreements among the nations. On this basis, the signatory nations assume the status of partners and allies with mutual rights and obligations. This declaration was not signed so that one of the signatories, in this case the U.S.A., could impose its unilateral judgment on the others.

A Tiny Figure

The government in Washington knows that drug trafficking is an illegal activity involving fabulous sums, tens of thousands of millions of dollars annually.

Peru, unfortunately, is a major producer of the coca leaf, and the problem cannot be resolved with $35.9 million.

The government of the United States is also aware of a fact which is recognized internationally—that terrorists and drug traffickers in Peru are allied, and the battle against one of these forces cannot be separated from the battle against the other.

'Nonsigning Weakens Nation'

91WD0041B Lima EXPRESO in Spanish (Sunday supplement) 30 Sep 90 p 1

[Editorial by EXPRESO staff]

[Text] The week just ending has been marked by a combination of events which pose a great threat to national security.

On the one hand, there has been a complex of simultaneous and similar actions on the part of the Sendero Luminoso [Shining Path—SL] in various parts of our national territory (selective assassinations, the slaughter of patrol members, successful attacks on units of the DOES [Division of Special Operations for the National Police] in Tocache and Puno). These crimes indicate that Shining Path has succeeded in reorganizing its centralized command and has now overcome problems in its internal leadership which threatened its possible dissolution.

And, on the other hand, there has been the refusal by the Peruvian government to sign the agreement on combating drug trafficking with the United States. This decision has further weakened the country's capacity to deal with the main ongoing threat to national sovereignty and security—drug trafficking.

The official explanation is fragile. President Fujimori said that the provisions of the $35 million agreement do not include an integral program for crop replacement.

First of all, the idea of replacing crops in the coca-growing areas makes no sense. The majority of them are steep slopes suited only for reforestation, not agriculture.

The crop-replacement myth only leads to inactivity, and favors the interests of no one but the drug traffickers. What should be planned is the overall replacement of the coca-production industry as such by other activities in some part of the national territory which will generate foreign exchange and jobs in equivalent amounts.

This is what must be negotiated: the elimination of U.S. protectionism against all of the Peruvian export products, with technological and financial support for these exports. Bush's own initiative should be utilized to create a free-trade zone in the hemisphere—which is obtaining a response from all of the countries in Latin America except Peru—to proceed with the plan.

The coca growers are mountain peasants who have no incentives in their communities of origin. Therefore the healthiest and most effective means of replacing the jobs and the foreign exchange generated by drug trafficking is to protect Andean agriculture from imported foodstuffs and to increase exports in general. The most important factor for the achievement of both goals is a high dollar rate. But there cannot be a high dollar rate while the permanent injection of narcodollars continues.

We come, then, to the paradoxical conclusion that in order to effect the overall replacement of the coca-production activity, drug trafficking must be eliminated. And this requires an adequate military apparatus capable of intercepting light planes, seizing launches, and locating laboratories.

Other components of an overall approach would include the implementation of investment projects for highways, silos, agroindustry, etc., which would facilitate the marketing of farm products. But to achieve this, we need the bridge loans which will enable us to obtain credit from the World Bank and the IBD [Interamerican Development Bank] again. With the refusal of the government to sign the agreement, however, it becomes much more difficult to obtain these bridge loans, and the negotiations being pursued by the president of the Council of Ministers himself in Washington are being boycotted.

It is said that considerations pertaining to national sovereignty also played a part in the erroneous decision. But the contrary is the case. The problem of sovereignty is not one of military aid but of narcoterrorism. As is known, international drug-trafficking forces are taking over increasingly large portions of our national territory, removing them from the sovereign control of the Peruvian state. Various institutions of the Republic are being infiltrated and gradually won over to serve foreign interests and are providing the armed subversives with their main source of financing.

And not only that. The heavy flow of narcodollars, estimated at $1.89 billion in 1989 (70 percent of the legal exports), is removing any possibility of exerting our national sovereignty in the administration of economic policy and is seriously depressing the rate of exchange, thus eliminating any possibility of a strategy for national development.

In view of these facts, there can only be two explanations for the government decision. They are ignorance of its implications, and infiltration by the drug-trafficking interests.

Uruguay

Free Exchange With Brazil To Aid Common Market

PY1111020890 Madrid EFE in Spanish 0800 GMT 8 Nov 90

[Report by Alberto Pepe Leira]

[Excerpt] Montevideo, 8 Nov (EFE)—Uruguay and Brazil have decided to free the exchange of several agricultural and livestock products, clothing, and chemicals as part of a program aimed at establishing a Southern Cone common market, which will also include Argentina and Paraguay. This market will begin operation on 1 January 1995.

The protocol, which includes a tariff exemption that was signed at Aladi [Latin American Integration Association] headquarters, places more than 300 products in a true free market between the two countries. This protocol is the tenth modification of the commercial agreement existing between the two countries since 1987. Uruguay will be able to sell 128 new, nontariff products on the Brazilian market in the near future. It has also obtained an unlimited expansion in the value and volume of another 182 products, which were included in previous partial agreements.

Uruguay, in turn, has granted Brazil tariff exemptions for 200 domestic products.

The terms of the commercial agreement signed between the two countries now includes shared concessions on a total tariff exemption and a lifting of the most important nontariff barriers.

Brazil has also tripled the authorized volume for the import of Uruguayan meat from 30,000 to 90,000 metric tons per year.

In the protocol, Brazil granted important benefits for Uruguayan exports by canceling conditions for loading and unloading products at specific geographic points.

No limits were established on the value or volume of most of the new products negotiated with Brazil. These products include oranges, strawberries, chemical and pharmaceutical products, essential oils, cellophane, leather clothing, tanned and untanned hides, industrial refrigerators, irrigation equipment, electrical appliances, and watches.

The products negotiated by Uruguay include barley, rice, oats, malted barley, chemicals, resin, iron and steel products, tools, and machines. [passage omitted]

Lacalle Welcomes South African Minister

MB1211145990 Johannesburg THE STAR in English 12 Nov 90 p 2

[Unattributed report: "Leon Wessels in Uruguay"]

[Text] Foreign Affairs Deputy Minister Leon Wessels officially visited the Uruguayan capital Montevideo at the weekend to discuss the normalising of bilateral relations. He was met by Uruguayan President Luis Lacalle and was later received by Uruguay's Foreign Minister Dr Hector Gros Espiell. Yesterday Mr. Wessels flew to Sao Paulo for dinner with the South African ambassador to Brazil. He is due back in South Africa later this week.

3rd-Quarter Unemployment Rises to 9.62 Percent

PY0911021490 Madrid EFE in Spanish 0328 GMT 6 Nov 90

[Summary] Montevideo, 6 Nov (EFE)—According to the Statistics and Census Directorate, the unemployment rate in Uruguay increased to 9.62 percent during the third quarter of 1990.